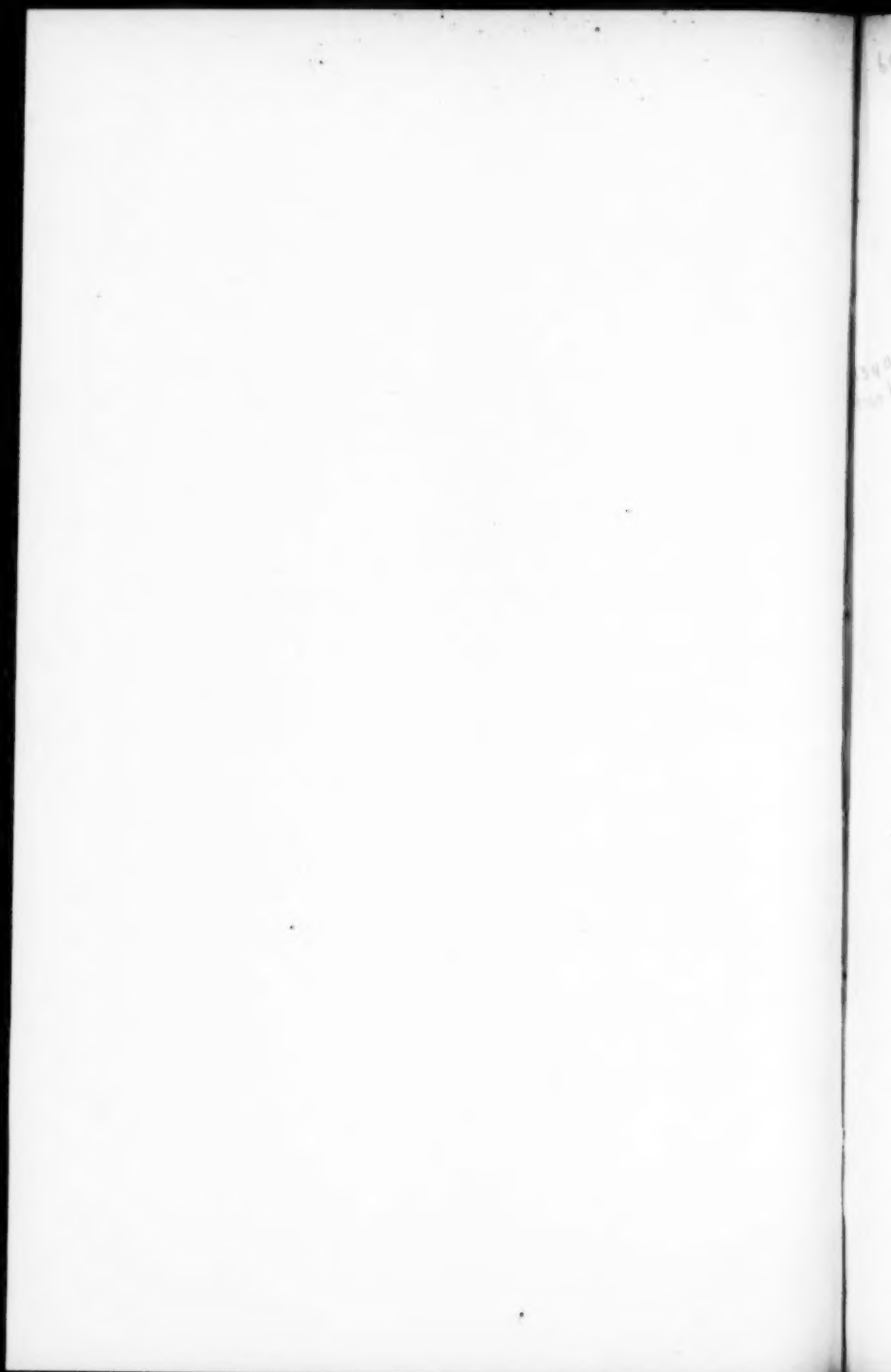


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THE DEVELOPMENT OF BANKING IN MINNESOTA¹

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INTRODUCTION

The development of banking in Minnesota is a record of economic evolution. Banking has invariably been the outgrowth of certain special needs of the industrial and commercial world. A place of deposit is required for the accumulation and safe-keeping of money and capital; exchange becomes a necessity for the wider extension of the business operations of mercantile and commercial institutions; and a demand for loans and discounts is created by increasing trade and economic development. In a new country, especially, growing commercial enterprises have certain wants which are satisfied only by banking institutions performing the functions of deposit, discount, note issue, and exchange. To understand the development of the banking institutions of Minnesota requires that the beginnings be traced from the earliest stages of economic life and from the first exchanges of economic goods.

History demonstrates that the first steps taken in the settlement of a new country are generally due to the discovery of some real or potential source of wealth, that is, some natural resource. The first people to venture into a new land are the explorers. Exploiters, soldiers, and, perhaps, missionaries follow; in the course of time, if conditions are favorable, permanent settlers begin to arrive, and industries and commerce develop. In the territory now comprising Minnesota, as in a large part of North America, the magnetic natural resource which drew the first white men was the fur-bearing animals.

¹A thesis submitted to the faculty of the graduate school of the University of Minnesota in June, 1915, in partial fulfillment of the requirements for the degree of Master of Arts; read in part at the stated meeting of the Minnesota Historical Society, December 11, 1916.

The fur trade introduced this portion of the country to the civilized world and provided the first step in the commercial development of the region. It is in the operations of the fur companies, then, that the beginnings of banking are to be found.

The French were the pioneers in developing the fur trade of the Northwest. From the time when they first gained a foothold along the lower waters of the St. Lawrence River, adventurous *coureurs de bois* and *voyageurs* made their way up this river and throughout the region of the Great Lakes, whence they returned with canoes laden with valuable peltries. It is known definitely that two of these traders came back to Montreal in August, 1656, after a two years' sojourn in a country some five hundred leagues to the west. These men, now identified by many historians as Medard Chouart, Sieur des Groseilliers, and Pierre d'Esprit, Sieur de Radisson, were probably the first white men in Minnesota.² Their enthusiastic accounts, as well as the furs they succeeded in bringing back, aroused traders and explorers alike; and by the first years of the eighteenth century several trading posts were established along the Great Lakes and in the Mississippi Valley.³

The French continued to control the fur trade in this region until 1760, when, by the fortunes of war, France lost her American colonies, Canada and her dependencies passing under the dominion of England. English merchants and trading firms at once superseded the French trading companies. The beginning of the American Revolution found the Montreal merchants firmly established in the Northwest. Their supremacy in this region, however, did not go unchallenged. Already traders from New York were making vigorous efforts to gain some share in the fur business—efforts which the war for independence for a time terminated, but which at its close

² Thwaites (ed.), *Jesuit Relations*, 42: 219, 296 n. 11; Folwell, *Minnesota, the North Star State*, 7-13.

³ Neill, "The French Voyageurs to Minnesota" in *Minnesota Historical Collections*, 1: 17-36 (1872 ed.), and "A Sketch of Joseph Renville" in *Minnesota Historical Collections*, 1: 197.

were renewed; while in the North the Hudson's Bay Company was opposing all attempts to encroach on what it very properly considered its territory. The need of concerted action in order to exclude American traders, on the one hand, and to meet the opposition of the Hudson's Bay Company, on the other hand, as well as a desire to eliminate competition, led to the formation of large trading companies. The Northwest Company, organized in 1783, by absorbing gradually smaller rival concerns, by the year 1804 gained exclusive control of the region beyond Lake Superior, including much of the territory nominally belonging to the United States which was still dominated by the English by virtue of their retention of the military posts along the Great Lakes and in the Mississippi Valley. The Michillimackinac Company was organized in 1806 for the control of the trade in the upper Mississippi, south of the region controlled by the Northwest Company. This company met with little success. The operations of the government trading factories established by the United States at various points on the frontier and the growing business of the American Fur Company, organized in 1808 by John Jacob Astor, contributed to its failure. In 1810 the company was dissolved. Two of the trading firms forming the partnership immediately organized a new company, which in the following year joined with the American Fur Company in a new concern called the Southwest Company. These trading firms were also shareholders in the Northwest Company; and an agreement was entered into by which the latter company was to confine its trade to the Indians of the British dominions, and the Southwest Company, to those south of the boundary. The disorganization of the fur trade during the War of 1812 led to the dissolution of the Southwest Company. The passage by Congress in 1816 of a law prohibiting foreign traders from operating within the territories of the United States marked the withdrawal of the British trading companies from the Mississippi Valley.⁴ The American Fur Company succeeded them

⁴ United States, *Statutes at Large*, 3: 332.

in the control of the fur trade; and thereafter for many years, under various owners and titles, was commercially and politically the greatest single force in the development of the region of which Minnesota forms a part.⁵

In the transactions carried on by the fur-traders no metallic money was used, furs being exchanged by the Indians for guns, ammunition, blankets, calicoes, knives, tobacco, rum, wampum, and various other articles. One of the foremost explorers and students of this region, Henry R. Schoolcraft, wrote in 1834 that the "standard of value and computation in this trade, is an abiminikwa, or prime beaver, called *plus* by the French." Under this system of barter the astute traders were able to reap large profits.⁶ In the early part of the nineteenth century the credit system began to develop. Indians were permitted to obtain various articles at the trading posts and were given credit according to their hunting and trapping ability; in payment therefor they were required to turn over their furs to the trader with whom they had an account.⁷

⁵ *Minnesota Pioneer* (St. Paul), August 22, 29, 1850; *Minnesota Chronicle and Register* (St. Paul), August 26, 1850. For further details on the history of the fur trade, see Stevens, "The Organization of the British Fur Trade" in the *Mississippi Valley Historical Review*, 3:172-202; Chittenden, *The American Fur Trade of the Far West* (New York, 1902).

⁶ "A plus, tradition states, was given for as much vermilion as would cover the point of a case knife, and the same price was paid respectively for four charges of powder, or four charges of shot, or fifteen balls, or two branches of wampum." In 1784 furs were reduced to plus on the following basis: A bear, an otter, three martens, a lynx, and fifteen muskrats were worth, respectively, one plus; a buffalo robe was worth two plus, and a keg of mixed rum, of standard size, was worth thirty plus. As examples of the large profits enjoyed by the traders Schoolcraft cites one instance in which goods worth \$2,000 were given in exchange for furs worth about \$34,560, and another in which a fine gun worth about \$51 was traded to a chief at one of the northern posts for 120 pounds of beaver worth about \$480. *Narrative of an Expedition through the Upper Mississippi to Itasca Lake in 1832*, 89, 90 (New York, 1834). See also Sibley in *Minnesota Historical Collections*, 3:171.

⁷ Sibley in *Minnesota Historical Collections*, 1:465; Schoolcraft, *Narrative of an Expedition*, 90; Smoky Day to Sibley, December 1, 1836, in the Sibley Papers.

Development along another line began in 1819, when a detachment of United States soldiers was sent up the Mississippi to establish a post at the mouth of the St. Peter's or Minnesota River. In the early summer of 1823 the first steamboat on the upper Mississippi, the little "Virginia," laden with supplies, picked its way up the river to Fort St. Anthony, later to be known as Fort Snelling. Thereafter each season steamboats came regularly to the fort.⁸ Almost a decade passed after the advent of the soldiers, however, before settlers began to arrive in numbers.⁹

As a result of the treaties negotiated with the Sioux and the Chippewa in 1837, the United States government gained possession of the land between the Mississippi and the St. Croix rivers south of a line drawn through the mouth of the Crow Wing; and, after the ratification of the treaties in the following year, this area was open to settlement.¹⁰ Immigration was light. In the next few years small settlements were made at St. Paul, St. Peter's (Mendota), Pembina on the Red River of the North, and Marine and Dakota (Stillwater) on the St. Croix; along the latter river a few farms were also scattered.¹¹ When Minnesota Territory was organized in 1849, its population numbered 4,680, of which 840 were in St. Paul, 637 in Pembina, and 609 in Stillwater.¹²

⁸ Neill, "Occurrences in and around Fort Snelling from 1819 to 1840" in *Minnesota Historical Collections*, 2: 103, 107. Up to May 26, 1826, fifteen steamboats had arrived at Fort Snelling; by 1839 there were nine steamboats making regular trips to the post. Baker, "History of Transportation in Minnesota" in *Minnesota Historical Collections*, 9: 16.

⁹ Several families of refugees from the Selkirk settlement on the Red River of the North settled on the Fort Snelling reservation during the years from 1822 to 1836. A report of the commandant in 1837 gives the number of white inhabitants (exclusive of the soldiers) in the vicinity of the post as 157, of whom 75 were connected with the establishments of the fur companies. Williams, *History of the City of St. Paul*, 42, 60 (*M. H. C.* vol. 4); Adams, "Early Days at Red River Settlement and Fort Snelling" in *Minnesota Historical Collections*, 6: 88.

¹⁰ Kappler, *Indian Affairs: Laws and Treaties*, 2: 491-494 (Washington, 1904).

¹¹ Le Duc, *Minnesota Year Book*, 1851, pp. 25-32.

¹² *Council Journal*, 1849, p. 183.

The business of the fur company was extended in the years following 1837 to include transactions other than those pertaining peculiarly to the fur trade. The Indians no longer considered it necessary to tender furs in payment of their credits, but paid the traders in money at the regular government payments. It is needless to say that the traders exercised great care that they should be at the place designated for the payments, bringing stocks of goods with them.¹³ Thus, it came about that the fur company not only dealt in furs, but also sold goods on credit, to be paid for later in cash—a strictly retail business. With the arrival of more settlers this retail department was enlarged to supply their needs, and the company entered into competition with other business houses.¹⁴

A second line of departure was brought about by the occasional demands of the people for certain banking services. These demands were too irregular and too small in volume to justify the establishment of banks; and the people naturally turned to the American Fur Company, the strongest moneyed institution in the territory, for the satisfaction of these needs. The company, therefore, began to extend to explorers, missionaries, and others the privilege, previously accorded only to its own employees, of using it as a fiscal agent. Its activity in this field requires examination, for it is in these transactions that banking really finds its beginnings in Minnesota. The company made loans, cashed drafts on eastern cities and St. Louis, and sold exchange on its offices in New York and other places. It carried some of these loans on its books as credits (checking accounts), and honored drafts drawn against them whenever presented. It collected customers' notes falling due in other sections of the country, and it also acted as the agent of eastern people in the collection of notes from local inhabitants. Its local operations were greatly facilitated by the "outfits" (trading posts) established at various points through-

¹³ H. L. Dousman to Sibley, December 22, 1837, November 2, 1838; to David Aitkin, September 26, 1838, in the Sibley Papers.

¹⁴ *Minnesota Pioneer*, April 24, June 2, 1851.

out the Indian country; and its various foreign operations, by the main office in New York.¹⁵

While the company realized a profit on these banking operations, nevertheless it suffered some losses, which were inevitable at the time because of the lack of rapid communication and the uncertainties of the monetary situation. Protested

¹⁵ Henry H. Sibley, afterwards the first governor of the state of Minnesota, arrived at St. Peter's (Mendota) in 1834 as resident partner and manager of the American Fur Company. His daybook and letter files, now in the possession of the Minnesota Historical Society, contain considerable material for this particular phase of the subject. Illustrations of the fur company's banking operations are too numerous to be given here, but a few examples will suffice to corroborate these statements.

"I enclose you my own acceptance @ 3 dys for one hundred dollars, being the amt. you wish to borrow from me, and which I advance you with much pleasure. The draft will be cashed by any of the boats, or by R. H. Campbell Esq. in Galena." Sibley to H. L. Moss at Stillwater, August 11, 1849.

"I have advanced Doct. Norwood of the Geological Corps the sum of \$390. which he expects to get from Mr. Carter at your place, in which case, I have requested him to turn the amt. over to you, taking your receipt therefor." Sibley to R. H. Campbell at Galena, September 27, 1849.

An entry in Sibley's daybook for August 23, 1838, shows that F. Ayer, a missionary among the Indians of the Snake River district, credited the Pokegama mission with a draft drawn on New York, at ten days, in favor of G. M. Tracy.

"We duly honored the 3 drafts you drew on us at Prairie du Chien last fall, say for \$908.08 which we charged as directed on the face of the bills." Ramsay Crooks, president of the American Fur Company, to Aitkin, New York, April 7, 1840.

On July 9, 1838, the expedition of J. N. Nicollet was charged in Sibley's daybook with "paid order, Moyese Arcand \$25.00," and on September 17 of the same year, a draft drawn to the account of this expedition upon P. Choteau and Company of St. Louis in favor of H. H. Sibley was charged to Western Outfit, indicating that a checking account was kept with the fur company by the expedition.

On October 24, 1838, Joseph Renville Sr. wrote to Sibley from Lac qui Parle, asking that the latter give Dr. Williamson, a missionary, one hundred dollars and charge the amount to his (Renville's) account; and on November 25, 1835, Dr. Williamson, writing to Sibley from the same place, said: "I send you above a draught on Mr Tracy of New York for 112 dollars & 14 cents. This with the 25 dollars which you told me you intended contributing to the Board . . . covers all the orders I have drawn on you togeth[er] with 15 dollars for corn which we have obtained

drafts drawn on people in the East were one source of loss; the notes of insolvent state banks in other parts of the country were another.¹⁶ The fact that the company continued its operations in this field is sufficient proof that it realized a net profit from these transactions.

With the creation by Congress in 1849 of the territory of Minnesota, a change took place in the industrial and commer-

from Mr Brown and fifteen dollars fifty five cents which you will please credit to Mr Renvills account and charge to ours."

"I wish to draw some money from the savings bank, at Quebec, and I do not know of a surer way of getting it than by asking you." G. A. Belcourt, missionary at Pembina, to Sibley, June 14, 1849.

"Understanding that the maker of the enclosed note is in your country, I take the liberty of handing to you his (Louis Brunelle's) note dated Sault Ste Marie 11 Augt 1831, payable 1 July 1832. . . . Whatever you may collect have passed to the credit of the office in New York for % of St Marys Outfit." Crooks to Sibley, Mackinac, October 18, 1836.

"Mr. Brown starts in the morning by Land for your place. I have advanced him \$85.90 & charged Sioux Outfit." Dousman to Sibley, Prairie du Chien, November 5, 1838.

"I enclose with this an acct. against Mooers for \$25.75 which he will pay you—also Farribaults acct. which charge to him, & his note which can be given up to him." Dousman to Sibley, June 20, 1836.

"I have this day drawn on you in favour of Mr Charles Grant for the sum of one hundred and seventy two 17/100 dollars, which I will thank you to accept and charge to a/ct of my outfit." Kittson to Sibley, Pembina, August 30, 1848.

"We have credited Western Outfit 1841 for the Revd Dr Gavins draft on Lentilhon & Co paid 6 July 1842 \$916.67 and Wm Leiths draft on Wm Smith." Crooks to Sibley, New York, July 7, 1842.

¹⁶ "Order H L Dousman on Mr De Rham for \$1000 was refused; and Mr Chouteau took it up on the 21 Jany 1837 for the honor of the *endorser*—So this \$1000 will also go back to the Prairie & Mess Pratte Chouteau & Co be paid for the amount. . . . Be cautious whose draft you take. But few are good." Crooks to J. Rolette at Prairie du Chien, May 26, 1837. H. L. Dousman on November 6, 1838, wrote Sibley from Prairie du Chien that of \$645.50 in bank bills sent him by the latter \$71.50 were counterfeit, and the greater portion of the rest were Wisconsin bank notes then not current and not received anywhere. "Take no more of them—Illinois, Indiana, Missouri & *Detroit City* Banks are the only ones current & take none other—all Michigan notes are entirely rejected." B. W. Brisbois of the Western Outfit at Prairie du Chien wrote William Forbes at Mendota on February 26, 1842, "The Illinois Banks are going down fast. We have stopd taking it."

cial, as well as the political, life of the people. New fields of activity were opened; and, to meet the new and growing needs of industries and commerce, banking in Minnesota entered upon the second distinct period of its development. The American Fur Company had rendered, and continued to render, great service to the people of this region; but, as the incoming merchants and business men began to look to other institutions for assistance in financial transactions, the prestige formerly enjoyed by the company gradually waned.

2. THE BEGINNINGS OF PRIVATE BANKS, 1849-55

The organization of Minnesota as a territory called attention to possible opportunities. This region was still mainly Indian country with but a few small and scattered settlements in that part of the territory which had been ceded to the government. In 1849 St. Paul was a small village, "just emerging from a collection of Indian whiskey shops, and birch-roofed cabins of half-breed voyageurs."¹⁷ Its advantageous location at the head of navigation on the Mississippi just below the confluence of that river with the Minnesota, and the fact that it was the capital of the territory, combined to make it the Mecca of the immigrants coming into the region and the gateway for all traffic in the Minnesota and upper Mississippi valleys.¹⁸ It was natural, therefore, that St. Paul should become the business center in the early development of Minnesota.

The United States census of 1850 shows that the white population had increased to 6,077, distributed by counties as follows: Ramsey, 2,227; Kittson (and Roseau), 1,134;

¹⁷ Neill, *History of Minnesota*, 494 (Minneapolis, 1882, 4th edition). Mr. Neill, according to the *Weekly Minnesotian* (St. Paul) of April 9, 1853, came to Minnesota in April, 1849, and for some years was prominent in religious work in St. Paul. He was a careful student of the history of Minnesota, and his writings are considered reliable.

¹⁸ An efficient barometer of prosperity in those days is furnished by the number of steamboat arrivals, which for the years 1848 to 1852 were 47, 73, 104, 119, and 171, respectively. *Weekly Minnesotian*, April 9, 1853.

Washington, 1,056; Dakota, 584; Benton, 418; Wabasha, 243; Wahnahta, 160; Mahkahto, 158; and Itasca, 97.¹⁹ Immigration increased rapidly after the negotiation and ratification of the Sioux treaties of 1851.²⁰ In the early summer of 1853 five steamboats engaged in the Minnesota River trade carried capacity cargoes and numerous passengers. Villages grew up in the valley of the Minnesota and farms appeared in all directions.²¹ This growth was merely a forerunner of the unprecedented immigration of the four succeeding years.

The people migrating to Minnesota were hardy frontiersmen, with slender financial resources—typical of those who have always been in the vanguard of settlement. As a class they were far superior in morality, education, and intelligence to the pioneers of many of the older territories. A large part were farmers who came west with wagons and stock.²² There were practically no established industries, and the quantity of ready money—insufficient even in the better settled and more industrially advanced communities—was far too meager for business purposes.²³ In order to supply the finances necessary for industrial and commercial advancement money was brought in from outside the state, in payment for which high rates of interest were exacted. Rates varying from two to five per cent a month were prevalent, even for loans based on good security. A large part of this money went, however, not into industries, but into real estate, in response to the popular cry of "Land! more land!"²⁴

¹⁹ *United States Census*, 1850, p. 993.

²⁰ *St. Anthony Express*, July 16, 1852. For the text of the Sioux treaties concluded at Traverse des Sioux and Mendota, see Kappler, *Indian Affairs: Laws and Treaties*, 2: 588-593.

²¹ *Minnesota Democrat* (St. Paul), May 11, 1853.

²² Sibley, "Reminiscences of the Early Days of Minnesota" in *Minnesota Historical Collections*, 3: 244; *Minnesota Pioneer*, June 23, 1853; *St. Anthony Express*, June 21, July 12, 1851; *Minnesota Democrat*, August 4, 1852.

²³ The lumber and logging industries had come into prominence after the building of the first mill in 1838 on the St. Croix River.

²⁴ *St. Anthony Express*, March 13, 1852; *Minnesota Democrat*, November 17, 1852.

The scarcity of capital, the high rates of interest, the increasing population, and the growing industries and commerce provided rich opportunities for a bank of issue as a means of increasing the supply of money. But all attempts in this direction met with such strenuous opposition that no institution of this kind having legal or public sanction was established during the territorial period.²⁵ The hostile attitude of the people arose from the fact that many had had unpleasant experiences with "wildcat" banks and "cheap currency" in other states and had no desire to repeat such experiences in their new home.²⁶ Several attempts were made, however, to establish banks of issue, the first of which was, so far as has been discovered, the Bank of Saint Croix, in 1849.

In September of that year a stranger by the name of Isaac Young induced a Mr. Sawyer, then a resident of St. Paul, "to sign a large number of handsomely engraved pieces of paper; on which were engraved the words 'Bank of Saint Croix, Saint Paul, Minnesota,' or something of that purport." The signer understood that they "would be promptly redeemed when issued." These bank notes were quoted at the time "in the Eastern bank note lists at *one per cent. discount*; the quotation being doubtless furnished by some accomplice in the fraud, living in Wall street, N. Y. city." Young disappeared from St. Paul and when next heard of was in St. Louis buying goods with this money, which had been given value by favorable quotations in the current bank note lists. The extent to which these notes were placed in circulation in Minnesota is not known, but Sawyer stated that he had signed only a small amount, between five and seven hundred dollars. The public at large was notified that no such bank existed in Minnesota

²⁵ *Minnesota Pioneer*, July 14, 1853.

²⁶ The editor of the *Minnesota Chronicle and Register* in the issue of January 12, 1850, wrote in this connection: "We are no especial sticklers for Banks of any kind, or in any community, and most certainly no apologists for irredeemable Bank issues. Our pockets have suffered considerably in by-gone days from this cause."

and that, if people ever heard of an institution of this character as existing in the territory, they should consider it "a fraudulent, unlicensed concern."²⁷

That the intention of the promoters of this enterprise was to flood the territory south of Minnesota with these notes when navigation closed is not known, but that the situation appeared serious is indicated by the articles published in the papers of Galena and St. Louis, and also by the following apologetic notice in Presbury and Company's *Counterfeit Detector*:

BANK OF ST. CROIX.—We have stricken this Bank from our "Detector," with this explanation:

A few days previous to the issuing of our October number, Mr. Daniels, of this city, introduced to us a gentleman by the name of Young, who informed us that he, with some other capitalists, were about to establish a Bank at St. Paul, and showed us two notes—one of the denomination of "one dollar," the other for "two dollars". He also stated that but few had been signed, and that no more would be issued until the charter had been sanctioned by the authority of law. He left those two notes with us, and money sufficient to redeem *all* that was *issued*.

Upon this representation we mentioned the money in the Detector, giving holders of the notes information when they would be redeemed.

Since the mention of the paper above alluded to, we have been advised that it is improbable that the Legislature of the Territory would grant any such charter.²⁸

This notoriety was sufficient not only to prevent the circulation of many notes of this bank, concerning which discussion soon ceased, but also to dampen the ardor of other "wildcatters." It was not until the year 1853 that the attempt to establish institutions of this type was renewed.²⁹

²⁷ *Minnesota Pioneer*, November 15, December 12, 1849.

²⁸ Quoted in the *Minnesota Pioneer* of January 9, 1850, from the *Missouri Republican* of St. Louis. Other articles on this subject from Galena and St. Louis papers appeared in the *Pioneer* of January 2 and 9, 1850.

²⁹ The *Minnesota Pioneer* of November 17, 1853, contained an article on business opportunities in St. Paul, in which it was asserted that there was "no bank" (i. e. bank of issue) in that city, although under the heading

In contrast to the attitude assumed towards banks of issue was that regarding offices of discount. As early as 1850 the question arose regarding the advisability of establishing such an office in order to alleviate the financial distress to which business was subject whenever government payments were delayed. These payments were largely Indian annuities and formed the main source of ready money for the traders, who made easy prey of the Indians.³⁰ To render the financial situation more acute, the money derived from the Indian payments could not be retained for local circulation but was drained from the territory in payment for provisions and for freight thereon, since, with the exception of lumber and cranberries, Minnesota as yet imported practically everything worn or consumed in the territory.³¹

With characteristic American optimism, however, capital alone was thought necessary to make Minnesota a great agricultural region and a "better . . . manufacturing country than any of the Eastern and Middle States." For supplying this capital a loan office was considered desirable inasmuch as it was "free from the objections to banking," since a bank relied upon its charter for its credit, whereas a loan office would "rely upon its *capital* to sustain its credit." Again in November, 1851, an editorial in one of the St. Paul papers discussed the need of a loan office. The article maintained

"Bankers and Exchange Brokers" three offices of discount and deposit were listed. The early territorial governors were opposed to banks of issue, and repeatedly urged upon the legislature the advisability of postponing the enactment of measures establishing such institutions. See especially the messages of Governor Ramsey and of Governor Gorman in *House Journal*, 1852, p. 31; 1854, p. 30.

³⁰ "Building, purchases of property, purchases of provisions, all business transactions, turn, now, upon the hinge of the United States Treasury; all contracts almost, and most expenditures, are made in anticipation of some payment, which is to be made, of public money." *Minnesota Pioneer*, November 7, 1850.

³¹ *Minnesota Pioneer*, October 17, November 7, 1850. In the *Minnesota Democrat* of December 22, 1852, the statement is made that "over \$200,000 of the Sioux money went below in drafts and bank notes, by the last mail."

that such an "office at St. Paul, from which to borrow, not paper, but money, might facilitate the business of lumbering or Indian payments by anticipating sales or payments, and thus equalizing the amount of currency more between periods of payment, and preventing extreme pressure and tension."³² The response to this suggestion was not long in forthcoming. In January, 1852, Charles H. Oakes of the fur company advertised that he had money to loan; and, as the field was so large, other loan offices were opened the same year.³³

In the meantime other events of great importance to the banking business of the territory had taken place. As early as May 1, 1851, Charles W. Borup, also of the fur company, began dealing in bills of exchange and drafts on all parts of the United States, with his office in the building of the Minnesota Outfit, St. Paul.³⁴ In June of the next year Messrs. Borup and Oakes formed a partnership. This establishment met with no opposition; on the contrary, those most bitterly opposed to banks of issue gave hearty support to the new institution.³⁵

Borup and Oakes did not long enjoy a monopoly of the banking business in Minnesota. Before the end of 1853 Smith, Newell, and Company, William Brewster and Company, and C. H. Parker had established similar offices; and by November 1, 1854, five other banking houses were in operation in St. Paul.³⁶ In the same year the growth of population increased financial needs so rapidly in other communities that

³² *Minnesota Pioneer*, November 21, 1850, November 20, 1851.

³³ *Weekly Minnesotian*, January 24, November 6, 1852; *Minnesota Pioneer*, July 8, October 18, 1852.

³⁴ *Minnesota Pioneer*, May 1, 1851.

³⁵ The *Minnesota Pioneer*, the organ of the antibanking element, in giving notice of this event on July 1, 1852, said, "That is what we want—men of capital, cash men and not paper banking institutions."

³⁶ *Minnesota Pioneer*, January 6, November 24, 1853. The *Minnesota Democrat* of November 1, 1854, listed the banking houses as follows: Borup and Oakes, C. H. Parker, A. Vance Brown, William Brewster, Mackubin and Edgerton, Truman M. Smith, Brown and Fletcher, Rice, Hollinshead, and Becker, and George K. Smith.

R. Martin, Tracy and Farnham, and the C. L. Chase Land Company in St. Anthony, and S. J. R. McMillan in Stillwater, opened banking houses.³⁷ Within the next three years similar institutions were established in other localities. All these establishments were private banks, having no fixed capital and under no regulation save that of commercial honor. In general, they transacted the same kind of business as that of Borup and Oakes—a commercial banking business—making loans and discounts, dealing in exchange, making collections, and later receiving deposits, on which the rate of interest, because of the competition among the banks, rose to seven and twelve per cent a year. The majority of these institutions also conducted a real estate business.³⁸

Banking operations were conducted under difficulties. The isolation of the territory and the lack of currency placed the bankers at a decided disadvantage. The rate of exchange on eastern cities varied from one to five per cent, and, since home products were insufficient to satisfy the needs of the rapidly increasing population, none could be exported; consequently exchange had to be created by shipments of gold and currency.³⁹ The nearest railroads terminated on the east bank of the Mississippi at La Crosse and Prairie du Chien, so that shipments had to be made by steamboat in the summer and by stage in the winter.⁴⁰

The quality of the currency furnished another problem for the bankers. For a short time after the organization of the territory the limited amount of currency consisted almost entirely of specie, but soon counterfeit and irredeemable bank notes made their appearance, thereby necessitating close scrutiny and the use of bank-note detectors. In this connection the

³⁷ *St. Anthony Express*, May 6, August 19, September 23, 1854; *Weekly Minnesotian*, August 19, 1854.

³⁸ *Minnesota Pioneer*, December 22, 1853; *Minnesota Democrat*, December 21, 1853, November 1, 1854.

³⁹ *Minnesota Democrat*, November 1, 1854.

⁴⁰ Isaac Atwater (ed.), *History of the City of Minneapolis*, 486 (New York, 1893).

bankers and newspapers rendered great service by publishing, from time to time, lists of counterfeit notes or those rendered worthless by the failure of the issuing banks. Cognizant of the splendid opportunities offered for the circulation of their notes, individuals and banks sent agents to Minnesota with large quantities of their small bills for "purposes of speculation and imposition." The merchants, and the public as well, suffered no inconsiderable losses from these spurious issues, and in the winter of 1853-54 the situation became so serious that the business men of St. Paul petitioned the territorial legislature for relief. They urged the passage of a measure forbidding "the circulation . . . of all bills of whatever kind, designed as currency, under the denomination of ten dollars, with heavy penalties for the violation of the law," which was then before the legislature, but which failed to pass.⁴¹

Among the "shinplasters" were found a few notes of a local "bank." It soon developed that "a Shinplaster financier by the name of Israel Smith" had left New York shortly before with a large amount of notes of the "Merchants and Mechanic's Bank, Iowa," en route to St. Paul or St. Anthony, where he intended to establish a bank.⁴² Upon his arrival at the latter place he prevailed upon one of the citizens—reputable but poor—to sign notes of the Merchants' and Mechanics' Bank of St. Anthony. Attempts were then made in St. Paul to pass bills in denominations of from one dollar to ten dollars but without much success, only four or five hundred dollars passing into circulation. Smith then left for Galena, where he falsely reported, for the purpose of giving his notes value, that he had received the permission of Governor Gorman of Minnesota Territory to establish his St. Anthony bank. Not long

⁴¹ *St. Anthony Express*, December 13, 1851, June 17, November 19, 1853; *Minnesota Democrat*, January 26, 1853, November 1, 1854; *Minnesota Pioneer*, February 22, March 1, 1855. For the text of the petition, see *Council Journal*, 1854, appendix, p. 177.

⁴² The *Minnesota Democrat* of July 6, 1853, quotes the *Milwaukee Free Democrat* of June 29, 1853, and Thompson's *Bank Note Reporter*. The latter prefaced the statement with the words "EXTRA CAUTION."

afterwards, his efforts having proved futile, he left for New York "to make arrangements for the redemption of the bills." The prevailing sentiment stirred up by this episode is expressed in this sentence, "We want no wild-catting or buzzard-roosting here in Minnesota," and in the advice given, "Be careful in counting your money—touch not—handle not!"⁴³

About the same time Richards, Clarke, and Company opened a banking house in St. Paul under the name of the Central American Bank. Their business consisted of dealing in exchange and making collections. In addition, they attempted to issue notes; and although, unlike the two former attempts at establishing banks of issue, they actually opened an office, their effort aroused resentment to a high pitch. The organ of the Democratic Party, the *Minnesota Pioneer*, published its views in opposition to wildcat money and advocated the election of sound money men to the next legislature. In addition, it was stated that "the currency paid by Government to the Territory, and disbursed to its citizens by the proper officers, is the *only* currency recognized by the constitution."⁴⁴ Two days after the publication of this editorial a large meeting of indignant and determined St. Paul business men organized to carry on the warfare against the Central American Bank and similar institutions. The following resolutions were unanimously adopted:

Whereas, A recent attempt has been made to circulate as money an issue of a so-called Central American Bank, of this city, and

Whereas, Such an attempt is antagonistical to the best interests of this Territory, and particularly to the interests of the business men of this city. Therefore be it

Resolved, That we will oppose, under all circumstances, now and hereafter, this and all similar attempts to impose upon us an illegitimate and irresponsible paper currency,

⁴³ *Weekly Minnesotian*, July 2, 1853. No communication of any kind relative to the St. Anthony bank passed between Smith and Governor Gorman. *Minnesota Pioneer*, July 14, 1853.

⁴⁴ *Minnesota Pioneer*, July 21, 1853.

Resolved, That the course pursued by the city press, in denouncing these "wild-cat" issues, meets with our warm approbation.

Resolved, That the proceedings of this meeting be published in all the papers in this Territory.⁴⁵

In the face of such opposition the bank could not long exist, and in January, 1854, it gave notice that it would redeem its outstanding notes until February 1 of that year. On February 8, 1854, its advertisement appeared for the last time in a territorial paper.⁴⁶

A more successful attempt to establish a bank of issue was made by Borup and Oakes, who, in the latter part of January, 1854, announced that they would receive current bank notes on deposit, for which they would give "their certificates payable in like funds or in coin, or exchange on the east at current rates."⁴⁷ Action was immediately taken by the legislature, and a law, approved March 4, 1854, forbade the issue by unauthorized persons of "bills or promissory notes, or checks, certificates of deposit, or other evidences of debt, for the purpose of loaning them, or putting them in circulation as money, unless thereto especially authorised by law." The offense was made punishable by a fine of one hundred dollars, and any person aiding in the circulation of such evidences of debt was liable to a fine of twenty-five dollars.⁴⁸ This law was practically a dead letter from the day of its passage, and Borup and Oakes continued their note issue without interference.

A bill to incorporate the Bank of Minnesota was introduced in the same session. It provided that this bank should have a capital of one hundred thousand dollars, which might be increased to five hundred thousand; and that its notes should

⁴⁵ *Minnesota Democrat*, July 27, 1853.

⁴⁶ *Minnesota Pioneer*, January 5, 1854; *Minnesota Democrat*, February 8, 1854.

⁴⁷ *Minnesota Democrat*, January 19, 1854.

⁴⁸ *Session Laws*, 1854, p. 67. The act was repealed February 7, 1855. *Session Laws*, 1855, p. 167.

be secured by a deposit of securities of the United States or individual states, or of real estate mortgages, thus making it a free banking institution. Governor Gorman in his message had declared that "no law, creating a bank within this Territory, for circulating a paper currency, can receive my official sanction." The Democratic sentiment in the legislature, however, was sufficiently strong to prevent the passage of the bill, and it never came to the governor's hands.⁴⁹

The currency in circulation continued to present a grave problem. In 1854 the paper issues in the territory amounted to millions of dollars. With a single exception the notes came from unknown banks in Maine, Georgia, Indiana, and other places distant from Minnesota.⁵⁰ The sole reliance of those who received them was on the genuineness of the engraving and on the reports of counterfeit detectors. In several instances the fact that a local banking house received or issued a certain foreign bank note gave the public confidence in that note, but the banker might at any moment refuse to accept the notes that he himself had introduced into circulation. Much loss was occasioned in the fall of this year by the notes of "broken banks" and by the fluctuation in note values arising from the rumors of bank failures circulated by speculators in bank notes.⁵¹

The Whig newspapers had long advocated the establishment of a state-regulated banking system similar to those in operation in Illinois and Wisconsin.⁵² In these states notes issued by the banks were secured by the deposit of United States or state bonds, a system which was considered the best yet devised. The Democratic press, on the other hand, had

⁴⁹ *Council Journal*, 1854, pp. 69, 126, appendix, p. 7; *St. Anthony Express*, February 11, 1854.

⁵⁰ *Minnesota Democrat*, November 8, 1854. The exception was the notes of Borup and Oakes.

⁵¹ *Minnesota Democrat*, November 8, 1854.

⁵² *St. Anthony Express*, July 30, 1853; *Weekly Minnesotian*, July 23, 1853.

been unalterably opposed to any form of banks of issue.⁵³ The conditions existing in 1854, however, presented a problem to which there appeared to be but one solution, and the Democratic press united with the press of the opposite party in advocating the establishment of banks of issue under the strictest regulations possible with the hope that their note issues might drive from circulation the spurious issues then current and place the territorial circulating medium on a firm foundation.⁵⁴ At a meeting of the business men of St. Paul on November 29, 1854, held for the purpose of organizing a board of trade and discussing the currency problem, resolutions were adopted condemning the circulation of foreign paper money in the territory. When the legislature assembled, however, Governor Gorman in his message of January 18, 1855, again issued a warning against the establishment of note-issuing banks, and no action was taken.⁵⁵

3. THE BOOM AND PANIC PERIOD, 1855-58

The years from 1855 to 1858 form one of the most interesting chapters in the history of Minnesota, especially from a business point of view. The earlier years comprise the boom period, when optimism and prosperity reared an enormous speculative structure, which was brought crashing to the ground by the financial disasters of 1857, plunging the people into depths of adversity from which they were years in recovering.

The year 1855 developed but little of particular interest in banking. The first event in chronological order was the issue by Borup and Oakes of a new shinplaster, redeemable in gold at a discount of one per cent.⁵⁶ These notes circulated at first somewhat freely throughout the territory because of the integ-

⁵³ *Minnesota Democrat*, December 24, 1850, October 21, 1851; *Minnesota Pioneer*, November 20, 1851.

⁵⁴ *Minnesota Democrat*, November 8, 1854.

⁵⁵ *Weekly Minnesotian*, December 2, 1854; *Council Journal*, 1855, p. 39.

⁵⁶ *Minnesota Democrat*, March 7, 14, 1855.

city and high standing of the issuing firm. As time went on, however, there gradually developed considerable opposition to this issue. Two factors were operative in causing this opposition: jealousy on the part of other bankers, who refused to accept the new notes, on the one hand; and, on the other hand, distrust on the part of the public, due to the difficulty of redemption in localities other than St. Paul, to the fear that possible temporary embarrassment might cause the notes to depreciate, and especially to the apprehension that less responsible firms should begin the issue of similar notes. For these reasons the legislature of 1856 again prohibited "the issue and circulation of unauthorized bills as currency" and provided that payments of debts with such notes should be void. Borup and Oakes thereupon ceased to issue notes and began the redemption of those outstanding.⁵⁷

Immigration during 1855 surpassed that of any preceding year.⁵⁸ Southeastern Minnesota gained more of this incoming population than any other section of the territory, the gateway being Winona. The rush to Fillmore, Houston, Winona, Olmsted, and other counties was extraordinary. Villages sprang up as if by magic, hamlets became thriving villages and towns, and farms appeared in localities which no one dreamed would be settled for years to come.⁵⁹

What was true of the southeastern section in 1855 was applicable to the entire territory the following year. Every

⁵⁷ *Weekly Pioneer and Democrat*, January 31, 1856; *Minnesota Democrat*, March 7, 1855; *Session Laws*, 1856, p. 7. See also the report of the "committee on shin plasters" to the house of representatives, February 26, 1858. *House Journal*, 1857-58, p. 398.

⁵⁸ The *Minnesota Democrat* of November 1, 1854, estimated that forty-five thousand people were brought to St. Paul by boat during the preceding season. According to the *St. Anthony Express* of November 22, 1856, the steamboat arrivals in the years from 1851 to 1854 numbered, respectively, 119, 171, 200, 245. The figures for 1853 and 1854, as reported in the *Weekly Minnesotian* of November 15, 1856, are 235 and 310, respectively.

⁵⁹ *Weekly Pioneer and Democrat*, May 22, 1856. The census of the territory taken in 1855 shows that Houston, Fillmore, Mower, Winona, Olmsted, Dodge, Steele, Rice, Goodhue, and Wabasha counties had a

portion, notwithstanding the spirited competition prevailing, appeared to be receiving a share of the inflow. The boats engaged on the Mississippi were unable to keep pace with the tremendous influx of trade and travel, and by May 10, 1856, huge piles of freight had accumulated and were daily increasing at Dubuque and Dunleith. In the first two months of navigation in 1856 (April and May), two hundred steamboats arrived at the wharf in St. Paul, a record estimated as nearly equal to that of the entire preceding year and exceeding that of any previous year. Immigration literally poured into the Minnesota Valley. Sometimes two boats a day left St. Paul, but even these, loaded to their utmost capacity with passengers and freight, were unable to handle the rush. On the upper Mississippi between St. Anthony and Sauk Rapids two steamboats were scarcely equal to the demands of the trade. In the St. Croix Valley the unusual success which had attended the beginning of the lumbering industry had its effect on every branch of trade, and led to a rapid increase in wealth and population of the villages in that region.⁶⁰

It was confidently expected that there would be an even larger volume of immigration and commerce in 1857; therefore steamboat men made great preparations for accommodating an enormous transportation business. The basis of their belief was the record of the preceding year and a calculation of favorable results from the land grant made by Congress for the building of railroads. In the spring the boats were crowded with passengers; settlers with prairie schooners and cattle were constantly passing through towns in the eastern part of the territory, bound for the unsettled western population of 17,665 out of a total for the territory of 53,600. *Weekly Minnesotian*, August 11, 1855. The population of Winona increased from practically nothing in 1852 to 800 in 1855 and 3,000 in 1856. *Weekly Winona Express*, August 28, 1855; *Winona Republican*, December 25, 1855, December 30, 1856, February 10, 1857.

⁶⁰ *Weekly Pioneer and Democrat*, May 22, 1856; *St. Anthony Express*, May 10, 1856; *Weekly Minnesotian*, May 17, 1856.

tions.⁶¹ The warnings of the eastern papers regarding western lands, however, and the unsettled monetary conditions of that year, culminating in the panic, undoubtedly had a dampening effect on many eastern people who would have come west had conditions been as propitious as in 1856.⁶²

As a natural sequence of this extraordinary increase in population came an increase in the volume of business. Encouraged by the rapid rate at which the population was growing and the increasing area over which trade was being established, the merchants considered it advisable to enlarge their enterprises to the limit of their capital and credit. To do so they were forced to borrow at the prevailing rates of interest, which, as subsequent experience showed, were justified by neither actual nor prospective profits.⁶³ The most considerable and important class of borrowers, however, were the operators in real estate, who had been attracted by the cheapness of the land and by the strong tide of immigration, and had come westward in large numbers to reap a harvest, especially in the boom years of 1855 and 1856. Their transactions caused the price of real estate to advance rapidly; and, in consequence, all classes of people became obsessed by the mania for speculation in land. In 1856 this speculation assumed alarming proportions, and prices reached heights out of all proportion to real value.⁶⁴

⁶¹ *St. Paul Advertiser*, March 21, 1857; *Weekly Pioneer and Democrat*, April 2, May 28, 1857; *Winona Republican*, April 21, 1857. An article copied from the *Cannon Falls Gazette* by the *Pioneer and Democrat* of June 25, 1857, describes the volume of travel through Cannon Falls.

⁶² *St. Paul Advertiser*, June 13, 1857; *Weekly Minnesotian*, June 27, 1857.

⁶³ *St. Paul Advertiser*, June 27, 1857, and an article in the issue of June 20, 1857, quoted from the *New York Independent* of June 11.

⁶⁴ The *Weekly Pioneer and Democrat* of December 18, 1856, announced that 140 acres at the mouth of Bassett's Creek, Minneapolis, preempted the year before for \$1.25 an acre, had just been sold for \$35,000, or \$250 an acre. The same paper, in the issue of July 16, 1857, quoted a notice from the *Hastings Journal* to the effect that 40 acres adjoining Hastings, which had sold in September, 1856, for \$14,500, had recently been resold for \$32,480. These were typical transactions.

A spirit of optimism pervaded the territory. One editor in the summer of 1856, after mentioning that it was a common thing to buy lots in St. Anthony and Minneapolis one day and sell them the next at an advance of from fifty to seventy-five per cent, declared that it was impossible for any land at the prices then prevailing to deteriorate in value, and that a price level had not yet been reached in St. Anthony, Minneapolis, or the surrounding country. Apparently everything was at the high tide of prosperity; most of the people were living beyond their means, in an atmosphere of feverish excitement, basing all their hopes on the outcome of the most fantastic projects, a condition of affairs certain to prove disastrous to all concerned.⁶⁵

Coincident with the expansion in other lines of activity there was an expansion in the banking field. Numerous banking houses appeared in the various towns of the territory, six being established in Winona alone by the end of 1856.⁶⁶ In the early part of 1857 there were ten such institutions in St. Paul. Taking as a basis for calculation the advertisements of banks in the various territorial papers, a very conservative estimate would place the minimum number in existence in the summer of 1857 at not less than thirty. At the commencement of 1857 the bankers of St. Paul perfected an organization known as the "board of brokers." Its announced intention was "to obtain the most valuable information as to the condition of such banks as are circulating their paper in our community, and also to receive the earliest possible news, by telegraph or otherwise, of anticipated or actual failure of such banks." In this respect the board rendered valuable service to the public, but some of its activities were not quite so commendable.⁶⁷

⁶⁵ *St. Anthony Express*, July 5, 1856; *Weekly Minnesotian*, October 3, 1857.

⁶⁶ *Winona Republican*, February 10, 1857; *St. Paul Advertiser*, August 22, 1857.

⁶⁷ *Weekly Pioneer and Democrat*, January 15, 1857. See below, pages 139, 153, 155.

Currency troubles had gradually convinced a majority of the people that some kind of a regulated banking system was a necessity. In January, 1857, the opinion was expressed that a general banking system would, in all probability, soon be established. In the spring of the year the "Address of the Territorial Central Committee to the Democratic Voters of Minnesota" concerning the important measures to be considered at the coming constitutional convention advised that the fundamental law should contain no provisions for banking institutions unless they were so guarded and restricted as to secure the community against irresponsible and excessive note issues.⁶⁸ The constitutional convention was in session from July 13 to August 29, 1857, and after much discussion adopted the general provisions under which the state banking system later developed. These provisions will be discussed in connection with the consideration of the banking laws of 1858.

Money in the years preceding 1857 had been fairly steady. To be sure there were changes in rates under varying conditions of supply and demand, but there were no sudden or violent fluctuations. In 1856 the interest rate on call loans was two and one-half per cent a month; on loans for from six to twelve months, secured by real estate, three per cent a month; and on loans for from three to six months, secured by good paper, from three and one-half to four per cent a month. These rates prevailed into 1857. For a short time in the spring, however, rates rose to five, ten, and, in one case, to fifteen per cent a month, the highest points reached in Minnesota for money loaned for speculative purposes. With the beginning of immigration and the importation of money, the rate dropped to two and one-half and three per cent a month, near which level it remained until September.⁶⁹

As the year advanced, the territorial financiers began to feel the effects of the uncertain conditions in the East. Stringency

⁶⁸ *St. Paul Advertiser*, January 24, 1857; *Weekly Pioneer and Democrat*, May 21, 1857.

⁶⁹ *St. Anthony Express*, August 23, 1856; *St. Paul Advertiser*, April 4, 11, 1857.

in the money market became the rule, and business was dull. New farms had been taken up and industries established on borrowed capital attracted by high interest rates; but the uncertain monetary conditions in the East, arising from excessive speculation, had stopped the supply. The local bankers, having invested heavily in real estate and real estate mortgages themselves and having but little money for business loans, were compelled to loan almost entirely on short time. In August the banking business was light, money was close, and maturing paper was not paid with the usual promptness. As a general rule banks did not discount except to their regular customers, whom they charged the prevailing rate of three per cent. Eastern exchange was scarce and was worth one-half per cent premium, while transactions in real estate were "growing small by degrees and beautifully less."⁷⁰ It was the lull before the storm.

On August 28, 1857, a telegram reached St. Paul announcing the suspension of several eastern banking institutions, including the Ohio Life Insurance and Trust Company, which had closed its doors on the twenty-fourth. Within a week the effects of these failures were felt in the territory. Real estate transactions ceased; payments on paper were slow, and past due paper began to accumulate; eastern exchange was scarce but light, and bankers were willing to buy it at a premium of three-fourths per cent, selling at one and one-fourth per cent; gold commanded a premium of one and one-half per cent; confidence was shaken, and there was much anxiety as to the future. As the effects of the panic began to be felt more powerfully, the outlook steadily darkened. Gold disappeared from circulation, money of any kind became scarce, and bankers refused to discount; gold in the middle of September sold for two and three per cent premium, with but little for sale; specie was hoarded by every one who could obtain it.⁷¹

⁷⁰ *St. Paul Advertiser*, July 4, 11, 25, August 15, 22, 1857.

⁷¹ *St. Paul Advertiser*, August 29, September 5, 19, 26, 1857.

In the early part of October the banks of St. Paul suspended specie payment, and the problem arose as to how the merchants were to pay their eastern creditors, for the latter refused western currency except at almost prohibitive discounts, and it was impossible to get eastern exchange at even five per cent. Stores and warehouses were full of goods, but there were no buyers. Many merchants notified their eastern creditors that there was no specie in Minnesota, but that they could and were willing to pay their debts with western currency, which was on deposit in St. Paul subject to creditors' drafts.⁷² At a meeting, held October 5, the merchants resolved to ask eastern creditors to pay one half of the exchange rates; to ask depositors to leave their money in St. Paul banks until needed, as they were safer than distant banks; and, as it was impossible to collect notes receivable, to make sales for cash only in order to be able to meet accruing liabilities.⁷³

In the meantime, on October 2, the firm of Marshall and Company of St. Paul closed its doors on account of the failure of correspondents in St. Louis. Considerable anxiety developed lest this failure should directly affect other banking houses in the city, but the fear proved groundless. The following day, however, Truman M. Smith was compelled to close his doors. The greatest shock came on October 21, 1857, when Borup and Oakes, suffering from severe losses through the failure of the Ohio Life Insurance and Trust Company and other eastern correspondents, was compelled to suspend.⁷⁴

⁷² *St. Paul Advertiser*, October 3, 1857. According to the issue of October 24 the St. Paul merchants alone owed eastern and foreign creditors \$1,500,000, and local debts amounted to \$1,000,000, secured by real estate mortgages drawing from two to five per cent a month. These amounts included only transactions through the banks and not those of private persons.

⁷³ Eastern exchange was quoted at five and ten per cent, and currency was frequently discounted at ten per cent in the East. *St. Paul Advertiser*, October 10, November 21, 1857.

⁷⁴ A published statement in the *Weekly Pioneer and Democrat* of October 8, 1857, showed that Marshall and Company had as assets, bills receivable \$168,666.61, cash and cash items \$24,569.44, and real estate

The prospects for the coming winter filled people with foreboding. Trade was at a standstill. Immigration had ceased, and in its place an exodus began. House rents dropped, and over two hundred houses were left vacant in St. Paul. Large numbers of people were out of employment, but had no money with which to leave the territory.⁷⁵ To meet these conditions a meeting was held in St. Paul, October 24, at which suggestions were made that a stay law be enacted to be in force two years, and also that banks of issue be established with limited charters, their notes to be based on real estate and such other securities as could be obtained in the market.⁷⁶ People apparently found it impossible to grasp the fact that real estate was practically worthless. According to John H. Stevens, a pioneer of Minneapolis, corner lots in that town, which in May, 1857, sold for three thousand dollars, could not be sold in October for three hundred dollars. In the latter part of 1857 the newspapers contained numerous notices of sheriff sales, mortgage sales, and private advertisements of land sales; yet so strong was the confidence of the people in land values that they were willing to base their note issue on real estate securities.⁷⁷

Lieutenant Governor Chase and, later, Governor Medary declined to consider the petition framed at the St. Paul meeting and refused to call an extra session of the legislature to institute a general banking system; therefore other means of \$250,000; as liabilities, \$83,277.48 due depositors and \$60,000 in bills payable in eastern exchange. Truman Smith held real estate to the value of \$100,000, real estate mortgages for \$300,000, and bills receivable for \$80,000, with a few minor items, to offset \$19,026.40 in deposits and \$147,000 in bills payable. According to a statement in the *Weekly Minnesotian* of October 24, 1857, since September 10 Borup and Oakes had paid out \$185,000, and nothing had come in.

⁷⁵ *Weekly Minnesotian*, October 24, 1857; *St. Paul Advertiser*, October 24, 1857, April 3, 1858. The census of 1857 showed a population of 153,332. *Weekly Pioneer and Democrat*, May 27, 1858.

⁷⁶ *Weekly Pioneer and Democrat*, October 29, 1857. The legislature was to meet in regular session in the winter.

⁷⁷ Stevens, *Personal Recollections of Minnesota and Its People*, 301, 302 (Minneapolis, 1890); *Weekly Minnesotian*, November 28, 1857; *St. Paul Advertiser*, November 28, 1857.

alleviating the financial troubles had to be devised.⁷⁸ The city council of St. Paul authorized the issue of city order bills. This example was soon followed by Ramsey County, which, on November 3, authorized an issue of county scrip. Both issues were of denominations not less than one dollar or more than twenty dollars. Other counties followed Ramsey in this attempt to supply a circulating medium.⁷⁹

The board of brokers, as such, refused to receive city scrip, but three of its members, J. Jay Knox and Company, Caldwell and Company, and Bostwick, Pease, and Company, advertised their willingness to take it on deposit. The banks, however, provided a currency of their own by endorsing the notes of defunct eastern banks, agreeing to take them on deposit and to make them pass current. Operating on this plan, Mackubin and Edgerton, W. L. Banning, J. Jay Knox and Company, Caldwell and Company, and Ennis and Plant of Hastings obtained a quantity of the inoperative Central Bank of Gray (Maine) notes, and placed them in circulation with the endorsement of the local issuing bank across the face. Bostwick, Pease, and Company in the same way issued the notes of the Farmers' and Merchants' Bank of Memphis, said to have failed, August 16, 1854. The prevailing rate of interest on loans was three per cent a month and five per cent a month after maturity.⁸⁰ The fact that the bankers were willing to place these notes in circulation, receive them at par, and loan them out at the above-mentioned rate, but refused to accept city scrip save at a discount, is sufficient evidence to prove that they were willing to capitalize the misfortunes of the public for their own selfish ends. For all practical purposes a piece of plain paper with the same endorsement would have answered as well inasmuch as the purpose was to provide a currency for

⁷⁸ *Weekly Pioneer and Democrat*, October 29, 1857.

⁷⁹ *Weekly Pioneer and Democrat*, October 29, 1857; *St. Paul Advertiser*, November 7, 28, 1857.

⁸⁰ *St. Paul Advertiser*, November 7, 21, 1857; *Weekly Pioneer and Democrat*, November 12, 1857; *Weekly Minnesotian*, January 23, 1858.

local use, and the people were not in a position to object to the type or method of issue.⁸¹ The Minneapolis merchants, in the fall, issued scrip for ten, fifteen, twenty-five, and fifty cents in order to meet the demand for small change. These notes had a large circulation, although there was a heated discussion over their issue.⁸²

Many merchants failed in the fall and winter, and those who survived were hard pressed at all times.⁸³ With the convening of the legislature discussion turned to the subject of a new banking law which was now imperatively demanded by the people as a panacea for the financial ills from which they were suffering.

4. THE CONSTITUTIONAL CONVENTION AND THE BANKING ACTS OF 1858

1740-300
9.88
50 lines
notes

The constitutional convention was held in the summer of 1857. Of the provisions incorporated into the fundamental laws of the proposed state, few, if any, received more careful consideration than those relating to the subject of banking. There were two conventions in session at the same time, each claiming to be the legally constituted body. Since the constitutional provisions adopted were those promulgated by the Democrats, a discussion of the Republican convention will not be necessary.

Many of the men who assisted in framing the banking provisions stated repeatedly that they themselves were not in favor of establishing a banking system; but, since the people demanded one, it was their duty to provide the best one possible. Impelled by this spirit, the convention formulated the con-

⁸¹ *Weekly Minnesotian*, October 24, 1857; *St. Paul Advertiser*, November 21, 1857.

⁸² Hudson (ed.), *A Half Century of Minneapolis*, 236 (Minneapolis, 1908).

⁸³ *St. Paul Advertiser*, April 3, 1858. A St. Paul merchant summed up one week's business as "\$5 in City Scrip, and \$5 worth of credit." *Weekly Minnesotian*, December 19, 1857.

stitutional basis for the state banking system.⁸⁴ The provisions finally adopted are, briefly, as follows:⁸⁵

The legislature was denied the "power to pass any law sanctioning in any manner, directly, or indirectly, the suspension of specie payments by any person, association or corporation issuing bank notes of any description." It was empowered to pass by a two-thirds vote a general banking law. Certain restrictions were enumerated which were required to be incorporated in such a law. These requirements furnish further illustration of the great stress laid at that time upon the function of note issues. The registration of all bills issued and the furnishing of "ample security in United States stock or State stocks for the redemption of the same in specie" were required. If any of the deposited stocks should depreciate ten per cent or more on the dollar, the banks depositing them were to be obliged to make up the depreciation by the deposit of additional stocks. The stockholders of all corporations or associations issuing bank notes were made subject to double liability for all debts of that corporation or association, such liability to continue for one year after the transfer or sale of the stock by its holders. The bill-holders were made preferred creditors of any insolvent bank. The notes and property of every bank were to be taxed. Finally, the names of all the stockholders in such a corporation, the amount of capital stock held by each, the time of transfer, and the person to whom transferred were to be recorded.

These provisions were agreed upon only after the rejection of many proposed amendments, which are of interest in that they show the ideas prevailing with regard to banking. An

⁸⁴ Minnesota Constitutional Convention (Democratic), *Debates and Proceedings*, 401, 406, 407, 411, 412, 413 (St. Paul, Goodrich, pr., 1857). In his inaugural address, delivered June 3, 1858, Governor Sibley referred to the state banking system in these words: "The Constitution of Minnesota has provided for a judicious banking system, which will protect the citizens effectually, against loss from the depreciation of bank notes." *House Journal*, 1857-58, p. 606.

⁸⁵ Constitution of Minnesota, article 9, section 13.

amendment was offered which would have rendered the note-issuing power of a bank of no value whatever by declaring that no debts should be considered liquidated by the payment of the paper money of any banking corporation. Another amendment, designed to protect the public from fraud, which was adopted but later stricken out, provided that the stockholders in every corporation issuing bank notes should be held liable individually for all the debts of such corporation. The convention refused to make depositors preferred creditors over note-holders, and, after much discussion, it also refused to make the state liable for the redemption of all notes of the banks, on the ground that note-holders would be sufficiently protected by the deposit of United States and state bonds. Other amendments, which were rejected, endeavored to make the deposit of stocks and specie the basis of note issue, and to substitute real estate in place of the United States and state stocks.⁸⁶

Fear lest a split in the Democratic Party, such as had taken place in Ohio and Indiana, would occur if the question of banks were submitted to the people for decision, led the convention to provide that the legislature might pass a general banking law by a two-thirds vote. Accordingly, on the convening of the legislature, December 2, 1857, numerous bills providing for a banking system were introduced and provoked considerable discussion. Some opposition was apparent, but it was directed against all paper money, which was described as the "bane of our country" and the direct cause of the present troubles. The measure which was finally passed on March 17, 1858, was a combination of the various propositions and was modeled on the Wisconsin and Illinois systems. It was described as a little more stringent than some of the bankers

⁸⁶ For the record of the action of the convention regarding the proposed amendments, see Minnesota Constitutional Convention (Democratic), *Debates and Proceedings*, 385, 397-417, 419-421. Governor Medary in his message of December 11, 1857, recommended that depositors as well as note-holders be given legislative protection. *Senate Journal*, 1857-58, p. 37.

desired, and possibly a little less liberal than was necessary for the entire security of note-holders.⁸⁷

The provision exciting the most interest, aside from those concerning note issue, was undoubtedly that fixing the maximum rate of interest on loans. The opinion of the lending class had long been that no usury law should be enacted inasmuch as such a law would drive capital from Minnesota to other places where it could be more profitably invested. It was predicted that if a usury law were passed and enforced, it would produce universal bankruptcy within two months. The rate of interest on loans by bankers was, nevertheless, fixed by the new law at not more than twelve per cent a year. The suggestion was immediately made that men of capital would prefer private banking with unregulated rates of interest to the new system. What results would have followed it is impossible to determine, since the law was not put in practical operation. The act of Congress admitting Minnesota to the Union was approved May 11, 1858. The legislature, which had adjourned on March 25, reassembled on June 2, and, influenced by the warning of Governor Sibley in his inaugural message, on July 21 replaced the measure of March 20 with another act more carefully drawn. This act as amended at the same session became the basis for all later banking legislation of the state.⁸⁸

The new act placed the supervision of banking under the state auditor. Elaborate provisions were made for the incorporation of banks of issue and for defining the rights and powers of stockholders and note-holders. All persons desiring to incorporate under the act were required to select a town of not less than two hundred inhabitants,⁸⁹ and to have an aggre-

⁸⁷ *St. Paul Advertiser*, January 16, March 6, 1858; *Weekly Pioneer and Democrat*, January 14, 21, 1858; *Senate Journal*, 1857-58, p. 323. For the text of the act of March 20, see *General Laws*, 1858, pp. 301-310.

⁸⁸ *Winona Republican*, December 30, 1857, April 7, 1858; *St. Paul Advertiser*, August 22, 1857; *House Journal*, 1857-58, pp. 599, 600, 606, 880; *General Laws*, 1858, pp. 68-81; Folwell, *Minnesota*, 160, 161.

⁸⁹ The act of March 20 placed the minimum at three hundred; the proposals in the discussion of the act of July 26 ranged from one hundred

gate capital of not less than twenty-five thousand dollars. The incorporators were required to certify as to the name of the bank, the names of the stockholders, and the dates of commencing and terminating business. The maximum rate of interest which such banks could receive or ask on loans or on notes and bills discounted was fixed at fifteen per cent a year, subject, however, to any general law fixing rates of interest that the legislature might thereafter enact.

Upon the application of persons incorporating under the act the auditor was authorized to furnish blank notes engraved and printed from plates, dies, and materials supplied by himself, or from plates, dies, and materials furnished by the incorporators but in his possession.⁹⁰ All expenses in preparing the notes were to be borne by the bankers to whom the notes were issued. The denominations of the notes were to range from one to five hundred dollars.⁹¹ Each note was to be countersigned by the auditor and numbered and registered by him or his appointed agent.

The notes were to be secured by a deposit with the auditor of public stocks of the United States or of Minnesota, or of any other state to an amount equal to that of the notes issued. It was further required that the stocks should have sold in New York at not less than par in the six months immediately preceding the date of deposit and should be equal to stock producing six per cent a year. Should such stock depreciate,

to one thousand inhabitants. Limitation as to the locality was made to protect note-holders against a pernicious practice, carried on by bankers in other states, of locating banks of issue in some inaccessible place. The banks would then redeem their notes at convenient places at a discount just below the expense of going to the bank and redeeming them there.

⁹⁰ The public soon realized that this system would lead to an endless variety of notes, and therefore greatly facilitate counterfeiting. *Weekly Pioneer and Democrat*, July 29, 1858. Before the bill became a law, this provision was repealed, and a uniform set of plates was adopted. *General Laws*, 1858, p. 81.

⁹¹ No notes were to be issued for denominations between five and ten, ten and twenty, twenty and twenty-five, twenty-five and fifty, and fifty and one hundred dollars.

the owner was required to make up the deficit, at the call of the auditor, either by additional stock or by the surrender of notes. In addition to the original deposit stockholders were required either to give bonds to the auditor to an amount equal to one fourth of the note issue or to deposit in lieu thereof ten per cent additional stock.⁹²

Notes were to be redeemed at the bank only, and were made payable on demand and without interest. If a bank failed to redeem its notes upon presentation, a due protest by a notary, together with the numbers, denominations, and amount of the bills presented, was to be sent to the auditor, who thereupon was to give the bank a written notice that such notes were to be redeemed. This notice was to be published for thirty days in a newspaper of the county in which the bank was located, in a paper at the state capital, and in another in New York. After forty days had expired, the auditor was authorized to sell the securities at auction at the Merchants' Exchange in New York and to redeem all outstanding notes pro rata.

Bankers were authorized to return notes to the auditor in sums of not less than one thousand dollars and to receive in return a corresponding amount of securities deposited with him. If the entire circulation of any bank was to be retired, the officers were required to give notice for two years thereafter, in the newspaper of the county and a paper at the capital, that notes would be redeemed. All notes were to be canceled by the auditor in the presence of the governor and an official of the bank, and a record kept of such cancellation. Bank notes were made receivable in payment of all debts due the issuing bank. Counterfeiting of notes was punishable by a fine of not less than one hundred dollars, or imprisonment of not less than three months or more than twelve months, or by both fine and imprisonment.

Supervision was provided by requiring the presidents and cashiers of the banks to make out a report containing the

⁹² This provision really amounted to an issue of notes equal to ninety per cent of the par value of the stocks deposited.

names of the shareholders, the amount of stock held by each, the time of transfer, and to whom transferred, and to file the report in the office of the county register of deeds and in the office of the auditor on the first Monday in January and July. The bank officers were also required to make out a quarterly report, under oath, of the condition of the bank, using a prescribed form. The report was to be sent to the auditor and published in a newspaper in the place where the bank was located and also in a paper in the capital of the state. A fine of one hundred dollars was the penalty for late reports, and a punishment of not less than one year or more than ten years at hard labor was prescribed for any one convicted of making false reports.

All banks organized under this act were given the right to discount bills, notes, and "other evidences of debt," to receive deposits, to buy and sell gold and silver bullion, foreign coin, and foreign and inland bills of exchange, to loan money on real and personal securities, and to exercise "such incidental powers as may be necessary to carry on such business." Such a bank could hold, buy, or sell real estate if the necessities of its transactions so required, or if such real estate came into its possession as security for loans or money due it, or if conveyed to it in satisfaction of debts, or if acquired by sale on an execution in its favor.

Even a casual reading of the act will disclose the emphasis placed upon safeguarding and regulating note issue. Twenty-seven of the forty-five sections are concerned with notes or the securities deposited for the notes. Actual experience had bred in the people a fear of irresponsible note issue; under the new system, therefore, they set up every known safeguard for their protection. The act was lacking in any requirement for a reserve to be held against deposits and in regulations concerning limitations upon loans and discounts. No mention was made of the length of time charters should run, their life apparently being perpetual. Although the minimum capitalization was fixed at twenty-five thousand dollars, no provision

was made for ascertaining whether or not that amount was actually paid in, so that for most of the banks this requirement was merely nominal, there being in fact but little real capital.

The clause exciting the most comment was that fixing a maximum rate of interest. Disapproval was expressed by some on the ground that such regulation was a "restriction upon the free competition of capital." Even those in favor of placing a limit on interest rates were of the opinion that this section should either be repealed or broadened to include every one; otherwise bankers might have private brokerage houses, collecting high rates of interest, "connected with, though outside of their institutions," to which funds available for loans could be transferred. An effort to remedy the situation was made. A general usury act fixing a maximum rate of fifteen per cent a year was passed by the legislature on August 9, 1858; it was vetoed by the governor, however, because of the fact that the enrolled bill presented for signature was not the one passed by the two houses.⁹³

On August 14, 1858, an amendment in regard to the security required for note issue was passed, which caused considerable change in the meaning and significance of these provisions.⁹⁴ With the idea of providing a market for the state railroad bonds, banks were to be permitted to deposit stocks issued by the United States or by the state of Minnesota at their current value, the provision in regard to securities of other states remaining as in the original act. This change sealed the fate of the early state banks in Minnesota.

The currency situation in 1858 presented as great a problem as that of the preceding fall, with conditions more acute in St. Paul and St. Anthony than in other places. "Shinplasters of Michigan, the wild cats of Georgia and Pennsylvania, the wildest of all red dogs from Nebraska and Indiana," and worthless notes from North Carolina, Kentucky, Maryland,

⁹³ *Weekly Pioneer and Democrat*, August 5, 1858; *Weekly Minnesotian*, July 31, 1858; *House Journal*, 1857-58, pp. 1051, 1103.

⁹⁴ *General Laws*, 1858, p. 80.

and Virginia were passing from hand to hand. Practically every state in the Union contributed to the supply of trash in circulation in Minnesota, making it, as the *Chicago Tribune* said, the "Paradise of the feline tribe." The situation was further complicated by the city and county note issues. With the object of affording immediate relief the legislature of 1857-58 very early in the session authorized the issuance of state warrants bearing twelve per cent interest. This paper was taken freely at par by the merchants, mechanics, and laboring men of St. Paul and St. Anthony; and substantial alleviation was, for a time, afforded all classes. Business began to revive, merchants sold goods readily, and laborers received prompt compensation. The improvement was only temporary, however. The bankers from the first refused to receive the state warrants except at a discount; at times they even refused to take them at any price. According to their own statements they were obliged to take this course because the scrip could not be used to liquidate the eastern indebtedness of merchants and business men. A leading St. Paul paper did not hesitate, however, to charge the board of brokers with attempting to depreciate the value of the warrants in order that through their agents they might purchase them "on the street at a large reduction," knowing that in a short time the state would be in a position through the sale of bonds to redeem the scrip in coin at its face value; furthermore, it was shown, this policy was pursued in face of the fact that in Washington, for example, the scrip was selling at par and was regarded as a good investment. In April bankers were buying state scrip for seventy and eighty per cent of its face value; in July it rose to ninety and ninety-five; at the same time city scrip sold at sixty-five per cent, and county at sixty-two and a half per cent.⁹⁵

⁹⁵ *Winona Republican*, January 27, February 24, 1858; *Weekly Minnesotian*, February 20, June 5, 1858; *Weekly Pioneer and Democrat*, April 8, 22, May 6, July 15, 1858; *General Laws*, 1858, pp. 16-18.

Business was dull; there was little demand for money, and its use was confined to safe and legitimate purposes, chiefly to the payment of debts. As the season advanced, it became apparent that it was best to prepare for a continuance of hard times, until another spring at least.⁹⁶ The anticipated increase in population did not materialize, for the course of immigration had changed and was flowing into the territories of Kansas, Missouri, and Nebraska. Population in Minnesota had grown too rapidly for the opportunities offered; thousands had been compelled to leave the territory in the fall of 1857; and people were consequently cautious about coming to a place which had fallen so rapidly from a height of great apparent prosperity to the depths of hardship.⁹⁷ Hope as to the future was revived to a considerable extent by the passage of a bill providing for a five million dollar loan to the railway companies to be used in railroad construction in Minnesota.⁹⁸ For years the people of the territory had been awaiting the coming of a railroad. Numerous companies had been chartered, but not a mile of road had been built. The loan, which was bitterly opposed, later proved futile for the carrying-out of the project.⁹⁹

Such was the financial situation in 1858 which the new banking law was expected to relieve. But no banking system in force in any state at that time could have eradicated the deep-seated, basic evils with which the commercial world of Minnesota was beset.

THE PERIOD OF FREE BANKING, 1858-63

The years of free banking, or of the state system, were important ones for Minnesota. Struggling desperately to overcome the effects of the panic of 1857 and to gain that

⁹⁶ *Winona Times*, February 6, 1858; *St. Paul Advertiser*, June 5, 1858.

⁹⁷ *St. Paul Advertiser*, April 3, 1858. Despite adverse conditions considerable immigration had flowed into southern Minnesota.

⁹⁸ *General Laws*, 1858, pp. 9-13; *Weekly Pioneer and Democrat*, April 22, 1858.

⁹⁹ *Weekly Minnesotian*, April 3, 10, 17, 24, 1858.

prosperity which a few years before had appeared to be her natural heritage, the state was compelled not only to contribute her full quota of men for the preservation of the Union, but also to fight for her own existence through one of the worst Indian uprisings that America has ever witnessed. The resulting conditions were far from conducive to the highest economic development and prosperity, and the effects may be seen in the history of banking during that period. In view of the inherent weaknesses of the existing system, it is doubtful whether results would have been different even under prosperous conditions unless radical changes had been made in the banking laws. This fact becomes evident when one studies the operations of the banks organized under the act of 1858.

By August 20, 1858, of the twelve applications for bank charters, three for banks to be located at Austin, Faribault, and Northfield, all under the control of B. W. Clarke, formerly of Milwaukee, had been accepted by the auditor. By September 12, 1858, six more applications had been approved. In the whole period ending October 8, 1858, eighteen applications were filed. In November the first banks went into operation, the Bank of the State of Minnesota at St. Paul and the Exchange Bank at Glencoe. The year closed without further accessions.¹ The new system was not inaugurated at an auspicious time. Trade was still in a depressed condition; taxes were unpaid; and mortgage sales and foreclosures were numerous.² But one bright ray shone through the gloom. An abundant harvest enabled Minnesota to take her place as a grain-exporting state.

An event occurred in the fall of the year that was vital in determining the status of the Minnesota state banks, not only

¹ *Daily Pioneer and Democrat*, August 20, September 12, October 8, 1858; *Winona Republican*, November 30, 1858; "State Auditor's Report" in *Senate Journal*, 1859-60, p. 730.

² *Daily Pioneer and Democrat*, October 7, November 25, 1858, March 10, 1859; *Winona Republican*, August 11, 1858.

in the state itself, but throughout the United States as well. Several railway corporations, including the Minnesota and Pacific Railroad Company, having complied with the conditions of the constitution entitling them to the issue of a certain amount of state bonds, applied to Governor Sibley for them, tendering in return a corresponding amount of their first mortgage bonds, amounting to about twenty-one million dollars. According to Sibley's interpretation of the constitution the first mortgage bonds of a railroad company were an exclusive first lien on the road, lands, and franchises of the company; therefore, he refused to accept the bonds unless a deed of trust were executed giving the state first lien. The Minnesota and Pacific Railroad Company immediately applied to the supreme court for a writ of mandamus to compel Sibley to issue the bonds. In granting the writ the court (Flandrau dissenting) stated that the constitutional provision did not require that the railroads give the state a prior lien.³

This decision naturally caused the state railroad bonds to depreciate greatly in value. The amendment to the banking act had opened the door for the use of these bonds as security for the note issue of banks. Certain newspapers in Minnesota had from the beginning bitterly opposed the railroad loan.⁴ Their opposition continued even after the people had voted their approval of the loan. After the supreme court decision they proclaimed the railroad bonds unfit as security for currency at par.⁵ The Exchange Bank of Glencoe, the second state bank to be organized, deposited the bonds as security for its note issue, which was promptly declared unsafe.⁶ In the winter of 1858-59 the railroad bonds, commonly known as Minnesota Sevens, were placed on sale in New York; but the adverse decision of the supreme court, the fact that notes

³ *Minnesota and Pacific Railroad Company v. H. H. Sibley, Governor*. 2 *Minnesota*, 1-20.

⁴ The *Weekly Minnesotian*, beginning March 6, 1858, stopped at nothing in its attacks on the loan bill.

⁵ *Weekly Minnesotian*, November 20, 1858.

⁶ *Weekly Pioneer and Democrat*, November 17, 1858.

issued with railroad bonds as security were looked at askance even in Minnesota, and the thinly veiled hints of repudiation by the hostile newspapers of the state, combined to give the bonds such a character that eastern financiers refused to accept them. Governor Sibley's visit to New York for the purpose of assisting the managers of the Minnesota railway companies in negotiating the bonds accomplished little in the way of effacing from the minds of eastern financiers memories of the railroad swindles of Wisconsin.⁷ People in the East, moreover, were under the impression that the currency of Minnesota was based on the much-maligned bonds and were afraid of it. Willard and Morris of Chicago in their *Bank Note Reporter*, after congratulating the people of St. Paul upon having as their first bank one of such excellent character—the Bank of the State of Minnesota—stated that a little discretion in choosing securities would give Minnesota a currency as good as that of Illinois and Wisconsin. They warned the people, however, that notes secured by the railroad bonds would provide only a depreciated and dangerous currency. The delay in determining the financial status of these bonds prevented several institutions organized under the banking act from going into immediate operation.⁸

Notwithstanding warning from the East and adverse public opinion, the auditor and governor, possibly with the idea of creating confidence in the railroad bonds, in the months that followed accepted them at ninety-five and permitted several banks to organize and to issue notes secured by these certificates.⁹ These banks were generally established by people

⁷ The *Weekly Pioneer and Democrat* of December 30, 1858, quotes from an article in the *New York Tribune* of December 17, written with a view to discredit the railroad bonds. The same paper in its issue of January 13, 1859, reprints from the *New York Herald* of December 31 a statement of Sibley's in which an attempt is made to correct the misrepresentations which had been circulated regarding the character of the securities and the circumstances under which they were issued. See also *Pioneer and Democrat*, January 20, 1859.

⁸ *Weekly Pioneer and Democrat*, December 9, 1858.

⁹ *Weekly Minnesotian*, March 19, 1859.

interested in the railroads, who had large holdings of the bonds now practically worthless.¹⁰ The state officials also accepted state university bonds as security for note issue, an action that raised a storm of protest throughout the state upon the ground that they were not state bonds. The Nicollet County Bank, whose issue was secured by university bonds, was promptly classed as wildcat.¹¹

In a short time the engraved notes of the new banks began to appear and soon the state was flooded with them. Within a few months the words La Crosse and La Crescent, Owatonna, Glencoe, and the names of other "railroad" banks became familiar to every one. From the outset these new issues were viewed with distrust. Private bankers in St. Paul, who were issuing endorsed Bank of Gray notes and certificates of deposit, tried for reasons of their own to depreciate Minnesota money. In other states it scarcely circulated at all. Chicago brokers warned note-holders against it, even against that of the well-secured banks, because of their fear lest doubtful securities be substituted for present good ones; and St. Louis banks threw out all Minnesota currency with the single exception of the notes of the Farmers' Bank of Garden City, which they received on deposit.¹²

Not all the banks, however, based their note issue on the railroad bonds, as is shown by the history of the Bank of the State of Minnesota.¹³ This institution was organized in St. Paul, October 1, 1858, the first to go into operation under the new law. Its circulation was based at the start on Minnesota eight per cent bonds, which never fell below par on the

¹⁰ *Weekly Pioneer and Democrat*, March 10, 1859.

¹¹ *Winona Republican*, March 2, 1859; *Stillwater Messenger*, February 15, 1859.

¹² *Weekly Pioneer and Democrat*, March 24, April 8, 1859; *Weekly Minnesotian*, April 23, 1859.

¹³ The facts concerning this bank may be obtained from J. Jay Knox, *History of Banking in the United States*, 754-756 (New York, 1900). Mr. Knox was a member of the private banking house of J. Jay Knox and Company, prominent in the banking business of the time, and was later United States comptroller of the currency.

New York Exchange. After the university ten per cent bonds had been declared state bonds for note issue purposes, this bank purchased the entire issue of forty thousand dollars and replaced ten thousand dollars of its eight per cent bonds with a corresponding amount of university bonds.¹⁴ The bank had a capital of twenty-five thousand dollars, fully paid, and was owned by Sewell, Ferris, and Company of New York, who were also its correspondents in that city. Its officers were experienced bankers; its local business was profitable; but the expenses sustained in note redemption in New York made it impossible to maintain a legitimate business with a circulation in such a proportion to its capital as to be profitable. Gold coin and New York drafts were selling at a premium of from two to three per cent. With a circulation of but twenty-five thousand dollars it had to redeem about three hundred dollars of its notes daily in New York. This problem, faced by all the early banks in Minnesota, was a powerful factor in determining their location and operations.

Few, if any, of the banks at that time had a very great amount of capital aside from a small sum required for the redemption of any circulating notes that might be presented. They purchased their bonds on credit and paid for them with the notes which they received from the auditor, a practice which rarely left anything for the conduct of the business of the bank.¹⁵ The corporators expected to receive their profits from the interest on the bonds. The banks were located, therefore, in remote or practically inaccessible towns and villages. Each bank maintained an agency in New York and Chicago, at which its notes were redeemed at from three to five per cent discount. This system was not altogether displeasing to the public, since the discount was less than the

¹⁴ When placed on sale for the redemption of notes, these bonds fell to twenty-two cents on the dollar; but they were later redeemed by the university. Knox, *History of Banking*, 755.

¹⁵ This privilege was granted under the provisions of an act of 1860 amending the banking law of 1858. *General Laws*, 1860, pp. 176-178.

expense involved in a journey to the bank in order to present the notes for redemption. Many of the banks also had agencies in St. Paul, from which they issued notes. The intent of the law undoubtedly was that banks should be located at the place where, according to the face, the notes were dated and issued; but, as express provisions were lacking on this point, the law was easily evaded, and the agencies were allowed to exist. According to the law, moreover, the bills of the bank were redeemable in coin at the place where they were (or apparently were) issued; but it became the general practice to issue the notes from the agency and to redeem them at the bank. Inconvenient as this system was to the people of the state, it was decidedly advantageous to the banks, since a billholder, desirous of the redemption of the bill in coin, upon presentation at the agency could be directed to repair to the bank, located in a frontier village perhaps one hundred miles away.¹⁶

In the early summer of 1859 the St. Paul brokers began a bold warfare against the banks whose issues were based on railroad bonds in order to test redemption and force the notes to be protested. They accumulated notes that were redeemable in gold, and, when a sufficient quantity had been secured, sent them to the issuing bank for redemption. Since exchange was high, with the gold thus obtained they could make a profit of from two to five per cent. In addition the brokers endeavored in various ways to create among the people a feeling of distrust of "organized banking institutions."¹⁷ By June 23, 1859, one bank had collapsed and three others were tottering.¹⁸

¹⁶ Knox, *History of Banking*, 756; *Weekly Minnesotan*, April 23, 1859; *Weekly Pioneer and Democrat*, August 12, 1859; *Stillwater Democrat*, October 1, 1859.

¹⁷ *Stillwater Democrat*, June 4, 1859; *Weekly Pioneer and Democrat*, June 8, 1859; *Winona Republican*, June 22, 1859.

¹⁸ The Bank of Glencoe had closed its doors, and the notes of the Bank of Owatonna, the Bank of Rochester, and the Chisago County Bank were no longer current. Nine banks only remained in operation. *Weekly Pioneer and Democrat*, June 23, 1859.

The opposition to notes secured by railroad bonds became so strong that on July 9, 1859, merchants and business men held a meeting at the courthouse in St. Paul. Resolutions were adopted denouncing railroad currency and protesting against the issue of more notes of this type. A committee was appointed to wait on the governor and present the protest. Notes issued upon other securities were expressly approved.¹⁹ No results from this or other meetings can be discovered.

Another blow was struck at railroad currency when the Minnesota Supreme Court issued a writ of mandamus to compel the attorney general to apply to a justice of the court "for leave to bring an action, in the name of the State, against the 'Bank of La Crosse and La Crescent,' to annul its charter, for alleged violations of law." The claim was made that the amendment to the banking act, upon which the issuance of notes secured by railroad bonds was based, was unconstitutional, since it had been passed by less than the required two-thirds vote; and that such note issues were, therefore, illegal.²⁰ The archives of the clerk of the supreme court show that the writ of mandamus was served on the attorney general, August 4, 1859; there is, however, no record that the court granted that official leave to bring suit against the Bank of La Crosse and La Crescent. This institution continued its note issues secured by railroad bonds until the state system collapsed in 1865.

One morning in the fall of 1859 news was received in St. Paul that Sewell, Ferris, and Company had become involved in a disastrous speculation in New York and had failed. Upon the receipt of the news the Bank of the State of Minnesota closed its doors. It was generally recognized that the Nicollet County Bank of St. Peter, of which Sewell, Ferris, and Com-

¹⁹ *Weekly Pioneer and Democrat*, July 14, 1859; *Weekly Minnesotian*, July 16, 1859.

²⁰ *State of Minnesota ex rel. William L. Banning v. Charles H. Berry*, 3 *Minnesota*, 190. For a review of the proceedings in the supreme court, see the *Weekly Minnesotian*, July 30, 1859; *Weekly Pioneer and Democrat*, July 28, 1859.

pany were the owners, must also soon take similar action. For a few hours there was great excitement in St. Paul. Runs began on the agencies, all of which, with one exception, referred their bill-holders to their respective banks. About the same time several railroad banks closed their doors. Railroad bonds, when thrown on the market in order to provide funds for the redemption of the notes, were quoted at from thirteen to thirty and one-half cents on the dollar, a depreciation resulting in much loss to the note-holders.²¹

In the latter part of October, 1859, the general confidence which the people had in those banks whose notes were secured by other than railroad bonds was practically destroyed. On October 21 it was learned that one of the banks standing highest in public confidence—the Bank of St. Paul—had substituted in August railroad bonds for Ohio Sixes as security for its note issue. Its action met with the severest condemnation and resulted in a run upon the bank, which lasted all day. The fact that even the best of the local currency might be rendered worthless by the substitution of poor for good securities called forth the opinion that all home currency should be treated as worthless and driven from circulation.²²

Immigration was very light during 1859; but it was thought that the large crops of that fall would enable the people of Minnesota, in spite of currency troubles, to enter upon a new period of prosperity with the beginning of the next year.²³ The prices offered, however, were so low that the producers could scarcely pay expenses. Many people left the state temporarily. A writer in the *New York Journal of Commerce*, describing the situation in Minnesota, declares: "Property holders are burdened with heavy taxes, and money lenders

²¹ *Weekly Minnesotian*, October 15, 23, 1859. Twelve of the banks which had been organized used Minnesota Sevens (railroad bonds) as security for their note issues. On May 23, 1860, Minnesota Sevens brought from sixteen to seventeen cents on the dollar and university bonds, thirty cents. *Weekly Pioneer and Democrat*, July 28, 1859.

²² *Weekly Pioneer and Democrat*, October 21, 1859.

²³ *Weekly Pioneer and Democrat*, July 21, 1859.

frequently find more land mortgages as collaterals upon their hands, than they are able to pay taxes upon, and at the same time are paying Eastern capitalists from 7 to 10 per cent. for money loaned on the same security."²⁴ As a consequence the advertising columns of the papers of the territory were filled with notices of mortgage sales.²⁵ On February 10, 1860, in an effort to relieve the tension, the legislature passed an interest law which fixed the maximum rate at twelve per cent a year.²⁶

More than a year had now elapsed since the passage of the state banking act, and in that time it had proved a failure. Of the sixteen banks that had been organized by December 1, 1859, but seven remained; and some of these had announced an intention of closing up their business.²⁷ The public and the merchants of the state had exhibited considerable distrust and a decided disinclination to use the currency; the private bankers received it at a discount; people of other states looked upon it with disfavor. The banks were unable to stand the pressure.

These facts led the auditor in his report of December 9, 1859, and Governor Sibley in his annual message of December 7, 1859, to the legislature, to recommend the repeal of the general banking law. Furthermore, Governor Ramsey in his inaugural address of January 2, 1860, urged the repeal of the existing law and the substitution of "that of some one of our neighboring States, which, after years of severest trial, has been found to furnish a currency safe and desirable."²⁸ In spite of the recommendations of the state officials, who were most intimately acquainted with the banking system, no important changes were made. For many years the law known

²⁴ Quoted in the *Stillwater Democrat*, October 15, 1859.

²⁵ The *Stillwater Democrat* of February 25, 1860, advertised twenty-seven mortgage sales.

²⁶ *General Laws*, 1860, p. 226.

²⁷ "State Auditor's Report" in *Senate Journal*, 1859-60, pp. 719, 738.

²⁸ *Senate Journal*, 1859-60, pp. 10-16, 123, 719.

to be inefficient and to all purposes practically useless remained as the only banking legislation of the state.²⁹

The spring of 1860 brought new troubles into the financial world, for a large number of Illinois banks refused to furnish additional securities to make up for the depreciation of Missouri bonds, the basis of their note issues.³⁰ Loss of confidence in its own banks had caused the public of Minnesota to turn to Wisconsin and Illinois for currency for the transaction of business; consequently the depreciation of this currency caused a serious derangement in the local business world. Banking funds became scarce, and collections were hard to make.³¹ To meet this situation, merchants and others began to issue "checks" of five, ten, fifteen, twenty, twenty-five, and fifty cents to provide small change. Such issues were very numerous and, withal, rather convenient, though they were also a great annoyance. Specie disappeared, and mistakes in change were frequently made; for example, a thirty-dollar check was paid out in change instead of a thirty-cent check. Many of these small checks were worthless because no signatures were attached and too many people issued them.³²

Upon the commencement of hostilities between the North and South, the Wisconsin and Illinois bank notes suffered greater depreciation due to the fact that they were secured in large part by the deposit of bonds of the southern states. The financial affairs of Minnesota, in common with the whole Northwest, were seriously disturbed. Exchange on New York rose to ten per cent premium. Abundant crops in 1859 and 1860 had stocked the granaries, and it was hoped that sales in the East would bring in eastern currency or coin.³³ This

²⁹ By the act of March 5, 1860, the note issue was changed to ninety-five per cent of the current market value of the stocks deposited. *General Laws*, 1860, pp. 176-178.

³⁰ *Stillwater Messenger*, February 28, 1860.

³¹ *Winona Republican*, December 19, 1860.

³² *Winona Republican*, January 9, 1861.

³³ *Winona Republican*, May 8, 22, 1861; *Stillwater Messenger*, May 28, 1861. There were estimated to be at least two million dollars of notes

hope was not fulfilled, and during the years covered by the period of the war Minnesota had but a comparatively small amount of currency.

At the beginning of the year 1862 the number of banks in operation in Minnesota was six, but in June two failed and the currency was further curtailed by the retirement of their notes. Of the remaining banks two, the Bank of La Crosse and La Crescent and the Bank of Chatfield, although organized under the Minnesota laws, maintained no office of discount, deposit, and circulation in the state; their circulation, secured by a deposit of Minnesota railroad bonds, was confined entirely to Wisconsin. The general character of the notes issued prior to January 1, 1863, may be better understood by a review of the bank failures and the rates at which the notes were redeemed during this period. These were as follows: Bank of Rochester, $16\frac{1}{4}$ cents; Chisago County Bank, $19\frac{1}{4}$ cents; Fillmore County Bank, 20 cents; Bank of Owatonna, $20\frac{3}{4}$ cents; Exchange Bank of Glencoe, $21\frac{1}{4}$ cents; Central Bank, 30 cents; Nicollet County Bank, 35 cents; Bank of the State of Minnesota, 70 cents; and Bank of St. Paul, 98 cents. Of these banks it will be noticed that seven paid thirty-five cents or less on the dollar on the notes in circulation at the time they closed. The rates of redemption show clearly the heavy losses which the bill-holders of these banks were compelled to undergo.³⁴

Commenting on the banking situation, the state auditor, in his report of December 31, 1861, says: "The only Minnesota banks circulating in the State are the Winona County and People's, with a circulation of only \$21,863. The taxable valuation of the State being nearly \$40,000,000, a ready circulation would be found for at least \$1,000,000 currency. In Minnesota based on bonds of southern states. *Winona Republican*, April 10, 1861. On January 1, 1861, according to the state auditor's report there were \$137,679 of Minnesota bank notes outstanding. *Annual Reports*, 1861, p. 5.

³⁴ State Auditor, *Annual Reports*, 1861, p. 5; 1862, p. 17.

ordinary times it would be the policy of the State to encourage a circulation to that amount, giving preference to her own stocks.³⁵ From present appearances no further issue of notes on State securities will be profitable, consequently the State must wait for the General Government to mature a policy for a National circulating medium."³⁶ Governor Ramsey, in his annual message to the legislature, January 9, 1862, after expressing the opinion that in many instances the currency of neighboring states introduced into Minnesota had "proved itself even less entitled to public confidence than our own," declared that the bank failures of Wisconsin and Illinois had "proved the whole system of Western banking upon State stocks to be false in principle and ruinous in its operation." He looked with favor upon the proposed currency to be issued by the national government and, after enumerating some of its advantages, ventured the belief that it would provide "a final relief from the recurrence of the enormous losses which are now suffered by our people, with the periodical explosion of the banks."³⁷

During this period the cost of labor and commodities steadily increased. In spite of the drain of the war upon the male population an increased acreage of land was sown, and, with the beginning of Scandinavian immigration, the outlook for the future appeared brighter than for several years previous. State banking reflected the industrial activity of the state, and on the first day of January, 1863, seven banks were in operation having an aggregate capital of \$318,000 and an outstanding circulation of \$198,107, secured for the most part by United States bonds, the state Eights, and the war bonds.³⁸

³⁵ In 1861 the auditor was authorized to accept securities of the United States bearing five per cent interest. The previous rate was six per cent. *General Laws*, 1861, p. 170.

³⁶ State Auditor, *Annual Reports*, 1862, p. 18.

³⁷ *Executive Documents*, 1861, p. 13.

³⁸ *Stillwater Messenger*, July 2, 16, 1861; State Auditor, *Annual Reports*, 1863, pp. 35-39.

THE NATIONAL BANKING SYSTEM, 1863-74

10 190
3.20
5.76
74 lines
note

The year 1863 is marked by the enactment of the National Banking Act and by the organization of the first national bank within the state. The state officials, who were best acquainted with the weaknesses of the state system, looked with favor upon the proposed national banking system, and their view was shared generally by the people.³⁹ The Democratic Party, however, was on principle bitterly opposed to such a system, particularly to one based on badly secured notes. Bitter attacks were made upon the financial scheme of the government, while the most direful predictions were made as to the results certain to obtain were such a system to be inaugurated.⁴⁰ In the ensuing two years the national banking system was considered by its opponents as the cause of all the financial troubles which the United States experienced.

On February 17, 1863, Hon. J. H. Brisbin of St. Paul introduced in the lower chamber of the legislature a set of resolutions declaring that the legislature of Minnesota was unalterably opposed to the national banking bill or any similar bill, for eleven enumerated reasons. The house refused to print these resolutions and by a party vote laid them on the table.⁴¹

³⁹ *Winona Republican*, July 2, 1862.

⁴⁰ The *St. Paul Pioneer* of January 17, 1863, declared that "the immediate consequence of adding \$300,000,000 to our currency, must be to inaugurate one of the most stupendous eras of speculation ever known in this or any other country. The present values will be largely increased. Stocks will advance, and the price of real estate will be enormously enhanced. . . . An unnatural rise must be followed by a corresponding fall." The same paper in the issue of January 24 declared that should the national government monopolize all bank note issues of the country, state banks, state bonds, bankers, financiers, and the business community would go down together, "displaying such a financial wreck as the world has never yet witnessed or conceived. . . . Green-backs will become as plenty and cheap in Wall street as wall paper! . . . Such a plan, applied to our present situation, would involve People, States, and Federal Government in universal confusion, tumult, and bankruptcy; the climax of which would be a Reign of Terror, in which the lowest and worst class of citizens would enjoy a carnival of fierce indulgence."

⁴¹ *St. Paul Pioneer*, February 18, 1863; *House Journal*, 1863, p. 223.

That this opposition was not entirely barren of results is shown by the fact that one of the four Minnesota members of Congress voted against the bill, the other three voting for it.⁴²

Minnesota financiers were slow to establish banks under the new act, apparently preferring to wait and observe the experience of banks operating in other states before embarking in the new enterprise. During the first nine months following the passage of the measure a number of new state banks were placed in operation in Minnesota, but no national banks, although several banks in neighboring states were organized under the national system.⁴³ The failure to organize national banks in Minnesota was due to several reasons. Minnesota was still a frontier state and was less advanced commercially and industrially than the other states. The regulations under which state banks could be organized were, moreover, less stringent than those of the national system. Finally, the large capital necessary for the organization of banks under the national system was lacking at that time, while a nominal capital was all that most banks needed to remain in operation under the state system. Not until December 8, 1863, when the First National Bank of St. Paul was organized with a paid-in capital of two hundred and fifty thousand dollars, increased in September of the following year to five hundred thousand dollars, did the new system obtain its first foothold in the state. It is interesting to note that this bank was but the reorganized and converted Bank of Minnesota, incorporated under the state banking laws in 1862.

⁴² Senator Rice voted against the bill, and Senator Wilkinson and Representatives Windom and Aldrich voted for it. 37 Congress, 3 session, *Congressional Globe*, 897, 1148. The act was approved on February 25, 1863; it was amended by the act of June 3, 1864. United States, *Statutes at Large*, 12: 665-682, 13: 98-118.

⁴³ Up to the date of the report of the comptroller of the currency, November 28, 1863, twenty banks had been organized in Indiana, seven in Illinois, six in Iowa, four in Wisconsin, four in Michigan, thirty-eight in Ohio, and two in Missouri. United States Secretary of the Treasury, *Reports*, 1863, p. 49.

The state had prospered during 1862 and 1863. Although the summer of 1863 had been characterized by drouth, a good harvest had been gathered. Railroad construction had commenced; the industrial prosperity of 1862 continued; and from an economic point of view the people enjoyed the best year, in spite of the Indian troubles, that they had experienced since the summer of 1857.⁴⁴ This prosperity accounts for the organization of the first national bank in the state; six new banks were also incorporated under the state laws in the year ending November 30, 1863, making a total of thirteen state banks in operation at that date. The state auditor reports that "these Banks are all located in the chief commercial towns of the State, and are owned and controlled by reliable business men of acknowledged integrity."⁴⁵

With the beginning of 1864 the state entered upon another year of industrial development. The inflation of the currency, which had been in progress during the past year, produced an unprecedented rise in the cost of living as measured in greenbacks. Under a similar standard of measurement gold, which on June 2, 1864, was quoted at 190, on July 12 reached 282, the highest point during the war.⁴⁶ The greenbacks made exchanges easier and more numerous, giving an impetus to trade and inducing activity, which resulted in higher prices for both commodities and real estate. Several railroads were in process of construction, and the demand for labor was great.⁴⁷

⁴⁴ Railroad Commissioner, *Annual Reports*, 1872, pp. 7, 10.

⁴⁵ The aggregate capital of the six new banks was \$262,500, and the circulation, \$154,580, bringing the aggregate total of state bank capital to \$662,500 and of circulation to \$412,398. One bank, the Bank of Winona, issued no notes; those of the Bank of La Crosse and La Crescent and of the People's Bank were still secured by state railroad bonds, but the circulation of the other ten banks, amounting to \$366,525, was well secured, the average market value of the securities during the previous six months being \$411,382. The thirteen state banks were located at Minneapolis, St. Paul, Stillwater, Red Wing, Hastings, Winona, Chatfield, Hokah, and St. Peter. State Auditor, *Annual Reports*, 1864, pp. 21, 68.

⁴⁶ *St. Paul Pioneer*, June 5, July 12, 1864.

⁴⁷ Governor Miller's message of January 4, 1865, in *Executive Documents*, 1864, p. 19.

During the spring of the year the currency again gave cause for concern, but on this occasion it was not the notes of the banks of Minnesota or of neighboring states which were the source of apprehension. On April 17 the First National Bank, the Marine Bank, and several brokers in St. Paul gave notice that they would neither receive nor pay out the notes of banks of Pennsylvania, New Jersey, and Michigan "except such as are being redeemed at par in Philadelphia or New York." On May 12, 1864, agents of the Northwestern and of the La Crosse and St. Paul packet companies announced that on and after May 15 they would receive nothing but national currency for tickets. Two days after this announcement the bankers of the state held a meeting in St. Paul and adopted the following resolution:

Resolved, That the Banks of the State of Minnesota, represented in this Convention, regarding it for the interest alike of the public and the Banks, that all money in circulation shall be made equivalent in value with the lawful money of the United States, agree that on and after July 1, 1864, they will receive and pay out as bankable funds only Treasury Notes, National Currency, and the issues of Minnesota Banks which are redeemable in lawful money of the United States within the State.

This course was a necessary consequence of similar action taken in Chicago and other commercial centers to prevent the flooding of the West with currency discarded in other places, and was effective in saving the people from financial loss.⁴⁸

During the summer months two new banks were organized, one a national and one a state bank.⁴⁹ The auditor's report for 1864 showed that the fourteen state banks then in operation were in splendid condition. They were apparently in no haste to reorganize as national banks, though several had announced their intention to do so.⁵⁰ The situation was

⁴⁸ *St. Paul Pioneer*, April 17, May 12, 20, 1864.

⁴⁹ The First National Bank of Rochester was organized September 7, 1864.

⁵⁰ State Auditor, *Annual Reports*, 1865, p. 24.

changed, however, when Congress, acting upon the recommendation of the comptroller of the currency, inserted a provision in the revenue act of March 3, 1865, imposing a tax of ten per cent a year upon the circulation of state banks paid out by them after July 1, 1866. The passage of this measure forced the banks either to retire their circulation and close up their business or to incorporate under the national system. On March 2, 1865, the Minnesota legislature, following the precedent established in other states, passed "An act to facilitate the reorganization of banks incorporated under the laws of this state into national banks." By October 1, 1866, fifteen national banks were in operation with an aggregate capital of \$1,660,000; while the state banks had all surrendered their charters.⁵¹

The period following the close of the war was one of great financial ease. The large expenditures of the government in the payment of war claims, war bounties, amounts due discharged soldiers, and other debts made money very plentiful locally.⁵² Greatly increased activity in all lines of industrial and commercial life inevitably resulted. Railroad building progressed rapidly, agriculture was given a great impetus by the steadily increasing population, and interstate trade developed.⁵³ The effect of this industrial activity at once manifested itself in the banking business of the state, which was carried on efficiently and effectively, in happy contrast to the methods employed by the state banks a few years before. The bankers were of great assistance to the growing industries and in return profited by the latter's prosperity. During this period

⁵¹ United States, *Statutes at Large*, 13: 484; Minnesota, *General Laws*, 1865, p. 74; *Report of the Comptroller of the Currency*, 1866, pp. 180, 184 (39 Congress, 2 session, *House Executive Documents*, no. 3—serial 1287); State Auditor, *Annual Reports*, 1867, p. 22.

⁵² George E. Warner and Charles M. Foote (eds.), *History of Dakota County*, 157 (Minneapolis, 1881).

⁵³ Governor Austin's inaugural address of January 7, 1870, in *Executive Documents*, 1869, pp. 1-9. The United States census for 1870 gave the population of the state as 439,706. *United States Census*, 1870, vol. 1, p. 40.

the national banking system enjoyed an almost complete monopoly of the banking business. By 1870 practically every town of importance in the southeastern section of Minnesota had at least one national bank, and in 1871 seven new national banks were established in the same district.⁵⁴

The early seventies comprised one of the most notable boom periods in the economic history of Minnesota. Inflation and speculation were rife, and both the state and the railroads enjoyed an unusual period of material progress and development.⁵⁵ As a consequence of these "good times" the number of banks and the amount of business transacted showed a substantial increase. A serious effort to operate banks under the state banking laws was made in the years 1872 and 1873; these institutions did not, however, issue notes. Several banking firms were incorporated; and, although in some cases their lights flickered out in a short time, they showed the way to others, and soon a steadily increasing number of state banks were contesting in the business field with the national institutions.⁵⁶ This renewal was undoubtedly due to the increasing use of deposits as a circulatory medium. In 1874, when the first complete records are available, the banks of the two systems were located for the most part in southeastern Minnesota.

On September 16, 1873, the failure of the banking house of Jay Cooke precipitated a panic which spread throughout the United States. In Minnesota, after the first few days, its effects were scarcely noticeable beyond a slight stringency in the money market, a cessation of railroad building, and a dull-

⁵⁴ From 1865 to 1871 only one attempt was made to establish a state bank. The City Bank of St. Paul was organized on April 29, 1869; it became a national bank in 1873. State Department of Banking, *Reports*, 1912, p. 9.

⁵⁵ Warner and Foote, *History of Dakota County*, 158; Governor Austin's annual message of January 9, 1873, in *Executive Documents*, 1872, vol. 1, p. 5.

⁵⁶ State Department of Banking, *Reports*, 1912, pp. 7-10.

ness in real estate for several years.⁵⁷ But few mercantile institutions failed and not one bank closed its doors—a striking commentary on the economic and financial progress of the state since 1857, when similar circumstances threw it into convulsions.

With the steady industrial development of the state since 1874, there has come a gradual increase in the number and size of the banking institutions. Only the crisis of 1893 has broken the chain of prosperous years that have passed since 1874.

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⁵⁷ Atwater, *History of Minneapolis*, 517.

NOTES AND DOCUMENTS

HISTORICAL ACTIVITIES IN WAR TIME

At first thought it might seem that students and teachers of history as such would be less affected by the Great War and by the participation of the United States therein than almost any other group of citizens. That thought is based on the conception of the historian as an antiquarian interested only in the remote past and giving no heed to the possible bearing of his material on the life of the present. The modern student of history, however, considers that one of his principal objects in investigating the past is to contribute to an accurate understanding of the present, which is an outgrowth of that past.

Shortly after the adoption by Congress of the resolution declaring the existence of a state of war with Germany, a number of the most eminent historical scholars of the United States met in Washington and organized the National Board for Historical Service. "The main function of the board" is declared to be "to serve the nation, in a time when the national problems of war and of ultimate peace cannot receive their best solution without the light of historical knowledge, by mediating between the possessors of such knowledge on the one hand, and on the other hand the government and the public who need it; in a word, to mobilize the historical forces of the country for all the services to which they can be put."¹ Under the auspices of this board "history men" all over the country have been collecting and disseminating information of an historical character bearing on the problems connected with the war. Some of the results of this work have been or are to be published by the Committee on Public Information of the

¹ For fuller information about the purposes and activities of the National Board for Historical Service, see the *American Historical Review*, 21: 831-835, 918 (July, 1917); and the *History Teacher's Magazine*, 8: 199 (June, 1917).

federal government. This coöperation between the board, which is a purely unofficial organization, and the government has been facilitated by the appointment of Dr. Guy Stanton Ford, professor of history in the University of Minnesota and a member of the council of the Minnesota Historical Society, to the position of director of the division of civic and educational coöperation of the Committee on Public Information. Dr. Ford was one of the group of men who were instrumental in organizing the board and he is now serving as one of its members.

One of the devices selected by the board for encouraging the study of the historical background of the war and particularly of American participation therein has been the establishment of a series of contests in the writing of essays by public school teachers on the subject "Why the United States is at War." The generosity of a patriotic citizen of Minnesota, who prefers that his name remain unknown, has made it possible for one of these contests to be conducted in this state, and the superintendent of the Minnesota Historical Society has been placed in charge of local arrangements. The prizes offered for the best essay aggregate three hundred dollars and are equally divided into two groups, one for teachers in high schools and one for those in public elementary schools. The contest is being given publicity by the distribution of circulars and through the press, and the prospects are that a large number of teachers will participate. Six prominent citizens of the state are to be chosen to act as judges, three for each class of contestants; and the essays are all to be submitted by January 1.

Another phase of the activity of the national board is the encouragement of the collection and preservation of materials for the history of American participation in the war. A committee has been appointed to prepare a manual on this subject for distribution to libraries, historical societies, and others who may be interested in the work. It is obvious that the best time to gather the materials for history, particularly such as are of a fugitive and ephemeral nature, is when they are

current; but it would never occur to the average individual, unless his attention were specially called to it, that such things might be worth preserving, although he would be quick to recognize the interest and value of similar items of the Revolutionary or Civil War periods. Frequently librarians, and sometimes even those in charge of historical collections, fail to realize that the present will soon be the past and that current material will be the sources of history in the future.

Fortunately there are, here and there, men who recognize the opportunity and are making the most of it. In North Carolina the state council of defense has appointed an historical committee headed by R. D. W. Connor, secretary of the North Carolina Historical Commission, and this committee is circulating a leaflet calling attention to the various classes of material which should be preserved. One of the most promising plans is that developed by the council of defense of Eau Claire County, Wisconsin. Under the leadership of W. W. Bartlett, chairman, the committee has arranged for the compilation of scrapbooks containing clippings from the local papers, programs, handbills, and pictures relating to the country's participation in the war. Correspondence from men in service and reports from local organizations are also to be collected and preserved. All this material, it is expected, will be turned over to the local library.

In Minnesota the historical society has followed the practice for a number of years of collecting a considerable amount of typical ephemera of the present day, and it was easy to include the war material. Interesting examples of the results of this work are the recruiting posters collected from the local offices of the British Recruiting Mission and the Navy League, and from the United States Marine Recruiting Station in St. Paul. Attempts are being made to secure representatives in all parts of the state who will gather war material for the society in their localities, and local libraries are urged to make similar collections. The field agent of the society, Mr. Holbrook, is able to accomplish considerable along these lines in the communi-

ties which he visits. Among the most valuable records are those which accumulate in the hands of the county directors appointed by the Minnesota Public Safety Commission; at the suggestion of the historical society the commission sent a circular letter to each of these men directing them to preserve all records and correspondence, and ultimately to turn them over to the society. For a large part of his material the future historian of the rôle played by the state and its component parts in the war will have to rely upon files of newspapers. The Minnesota Historical Society has for many years been receiving and preserving the current issues of hundreds of newspapers and periodicals published in the state. At the time of the declaration of war the list included over half the entire number with at least one from each county. Many other papers have now been added, including especially those which reflect or mold the opinions of special groups or interests. In addition to the accumulation of this material, members of the staff of the society have been examining the files and making an index of all the valuable material illustrative of Minnesota's participation in the war.

Some of the subjects touched upon in this note will probably be dealt with more fully in future issues of the *BULLETIN*, particularly the ways and means of collecting and preserving material. Enough has been said, however, to make it clear that the worker in the field of history who desires to do so can find ample opportunity for service in war time along the line of his profession or avocation.

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THE PRESERVATION OF NEWSPAPERS

In popular estimation the newspaper is cheap, yet few things appeal more intimately to humanity. It instructs the inquiring, delights the gossip lover, gauges public sentiment for the politician, vents man's vanity, and punishes the evil-doer. No

one can afford to be without it. Nor does its usefulness end with the day or week of publication as is frequently supposed. The despised "back number" has a value that increases as the years pass. Not alone does the historian find in its pages mines of priceless information, but public officials, attorneys, students, business men—in fact all classes—consult it for facts of supreme importance for their peculiar needs. It is quite a matter of course, then, that those organizations which have made it their task to collect and preserve historical material should include in such material files of newspapers.

The Minnesota Historical Society has from the time of its establishment endeavored to make its collection of Minnesota papers as complete as possible. The collection contains at the present time upwards of twelve thousand bound volumes, including the only existing earliest files of St. Paul and St. Anthony papers, the first published in Minnesota. On August 1, 1917, the library was receiving regularly 407 Minnesota papers, comprising 27 dailies, 371 weeklies, 8 semi-weeklies, and 1 triweekly. That the society has been able to build up this splendid collection has been largely due to the coöperation, through the donation of their journals, of the publishers of the state, who recognize the manifest advantage to themselves of so doing. It is with the hope that the benefits enjoyed by each may be more completely realized that some of the details connected with the work of caring for these papers are herewith presented.

Some of the editor-publishers may not be aware that the papers they send in to the society are preserved and bound. This, in truth, is done with unremitting care and orderliness. When a sheet is printed unevenly, as often happens, it is so folded that no important local news, legal advertising, or proceedings of local governing boards may be sacrificed to the binder's trimmer. When a paper is received badly torn, or with an essential part gone, or is defective through careless press work or other causes, it is not bound with the other numbers unless a requisition on the publisher for a perfect copy

is disregarded. Even small rents, especially on margins, are mended. Half-sheets and tiny supplements are pasted in, to prevent their being lost or misplaced. Traveled visitors, including members of the American Library Association, have been good enough to say that the Minnesota collection is kept in the best shape of any in the country.

The work of binding is often hampered, however, by reason of missing numbers; it is important that the files be complete, for sad experience born of unheeded warnings has proved that the copy that is lacking is sometimes the most sorely needed of all. To secure these numbers anywhere from one to a dozen requests, by postal card or letter or by both, are sent out to the publishers in each case. While many responses are made to the first request, in some instances no reply is received either in the shape of the desired copies or in explanation of their non-appearance. A note from the publisher designating the copies that he is unable to supply is helpful. It frequently happens that missing numbers which it has seemed impossible to acquire come straggling in after long delays; their insertion in the bound volumes results in a badly misshapen book. Some newspaper owners apparently ignore our reiterated appeals on principle. In one or two instances whole months are lacking, and the case is so hopeless that missing copies are no longer asked for and the files are all but worthless. In 1915 sixty publishers were remiss, with 116 issues; and in 1916 seventy-one publishers, with a total of 286 missing copies, failed to reply. Happily no grounds for complaint exist as to the dailies. So promptly and courteously have the needs of the society been responded to that every file for years past is complete.

Through their coöperation in this public service the newspaper publishers are performing a service advantageous to themselves. Many of them hold their own files for years before binding, and some do not attempt to bind at all. The papers are often pitched into haphazard storage where they gather dirt and furnish food for mice. When a publisher must

have a back number, he is likely to find it only after overhauling the entire confused heap. Frequently the copy sought can not be found; perhaps it is not there at all; a whole month's file may be gone. It often happens, when a suit involving a contested or unsettled estate is pending and the evidence of a published legal notice is imperative, that a publisher is called upon by an order of the court to produce a copy of his paper issued five, ten, or twenty years ago, and finds himself unable to comply with the demand. A more serious danger which threatens the files of the country publisher is the destruction of his printing shop by fire. In such circumstances what a comfort for him to know that well-bound files of his paper from the first number are deposited safely and guarded vigilantly in the library of the historical society at the state capital. A few years ago a suit involving heavy property interests was being tried at Crookston; in the course of the trial it became necessary to adjourn court in order that an attorney might go to St. Paul to see a legal advertisement which appeared in a certain paper, the only copy of which in existence was preserved in the historical library, the home office with its files having been destroyed by fire. In preparing their semicentennial anniversary number of May 25, 1917, the publishers of the *Minneapolis Tribune*, thrice visited by fire, would have been at sea but for the society's newspaper division. From it they obtained not only the loan of the first copy, which they reproduced in facsimile, but valuable missing links in the history of the paper, which might possibly have been secured from other sources, but only at the expense of weeks and perhaps months of quasi-detective work.

It would be advantageous both to reader and newspaper custodian were the number of pages and sections contained stated on the first page of every issue. This is, of course, unnecessary where the sheet is invariably of the same size and all in one section. Suppose a publisher puts out two sections regularly for years. Then the paper comes with but one section, sometimes labeled "section 1." The custodian

sends for section 2 and is informed that there was none. The second part may reappear the following week or it may be suspended for a longer time and then resumed. A little care for details of this character on the part of publishers lessens appreciably the troubles of the newspaper librarian.

Working with the society for the public good, the editors of the state have it in their power to enhance the mutually beneficial relations that have existed so long and in the main so pleasantly between themselves and the society. They can dissipate much of the ignorance, apathy, and misunderstanding regarding the society which arise from unacquaintance with its work. That these are so prevalent throughout the state is not to be wondered at when right in St. Paul there are thousands of people who are unaware that the historical society has such a thing as a newspaper collection, and who think that it still burrows in the Old Capitol, vacated twelve years ago! Let editors and publishers consider at all times the growing importance of the society as a vital force in the educational system of the state. Let them think of their children and of their readers' children, whose education is to be perfected at the state university, with which institution the society is closely affiliated.

The Minnesota Historical Society lives and works for to-morrow. Its nature and purposes appeal to all intelligent men save those unable to emerge from the narrow channels of self-interest; those whom nothing but financial gain or sensuous pleasures can attract. Under territory and state, in the interest of this society and therefore of posterity, Minnesotans most eminent in statesmanship and in official, professional, and business life have given liberally of their time, strength, and means, with no reward whatsoever aside from that indescribable satisfaction which is his who has rendered unselfish public service of value.

It has been said sneeringly that this organization is founded merely upon sentiment. Granted. But they who speak contemptuously of sentiment are the unthinking. Patriotism

itself is "nothing but sentiment." And the mainspring of the patient, persevering, oft baffled efforts of the creators, officers, and members of the Minnesota Historical Society from 1849 to 1917 has been of the same spirit that is about to bring victory to our arms on battlefields beyond the sea. In things having to do with the very bedrock of life, the real essentials which shall endure until time is not, sentiment counts for incalculably more than the dollar.

JOHN TALMAN

MINNESOTA HISTORICAL SOCIETY
ST. PAUL

REVIEWS OF BOOKS

Surface Formations and Agricultural Conditions of Northeastern Minnesota (Minnesota Geological Survey, *Bulletins*, no. 13).

By FRANK LEVERETT and FREDERICK W. SARDESON. With a chapter on Climatic Conditions of Minnesota by U. G. PURSELL. (Minneapolis, The University of Minnesota, 1917. vi, 72 p. Maps, plates, diagrams)

This bulletin is the second part of a report produced by the coöperation of the Minnesota and United States geological surveys, of which the first part, on the northwest quarter of the state, published two years ago, was reviewed in the May, 1915, number of the MINNESOTA HISTORY BULLETIN (1:59-61). Another part, treating of the south half of Minnesota and completing this work, is expected soon to be issued.

Professor William H. Emmons, director of the Minnesota survey, contributes a short introduction. Chapter 1, on the physical features of the state, has three full-page maps. The first shows the altitude above the sea by the contour lines of one thousand, fifteen hundred, and two thousand feet. The second outlines the diverse drift sheets, the loess of southeastern Minnesota, and the glacial Lakes Agassiz and Duluth. The third shows the areas of forest and prairie; it needs, however, a correction to outline a considerably wider tract of the predominantly prairie region east of the Red River, placing therein nearly all of Mahnomen, Polk, Red Lake, Pennington, Marshall, and Roseau counties.

Three glacial lakes, held by barriers of the departing ice sheet, are described and partly delineated by this report and its maps: Lake Agassiz, in the drainage area of the Red River and Lake Winnipeg, named by the present writer in 1879; Lake Duluth, in the Lake Superior basin, first named by me in 1894 as the Western Superior glacial lake, but soon renamed Lake Duluth by Taylor; and Lake Upham, named by the late Professor N. H. Winchell in 1901, occupying an area of about 1,250 square miles of the St. Louis River basin, with outlet across the Savanna

portage to Sandy Lake and the upper Mississippi. On the international boundary Lake Agassiz reached east to Lac La Croix and the western end of Hunters Island, on a meridian somewhat east of the east end of Vermilion Lake. Above the city of Duluth one of the upper shore lines of the glacial Lake Duluth is marked by the massive beach of gravel and sand which is followed by the boulevard, 470 to 475 feet above Lake Superior. For a fourth and nearly contemporaneous ancient lake, of about five hundred square miles in area as here mapped, named Lake Aitkin by my report on Aitkin County in 1899, having a well-defined beach in and adjoining the town of this name, further field work seems desirable to demonstrate its relationship to the waning and lobate ice sheet, since it may be explainable, as the present report suggests, by being held in a temporary drift basin, and being later drained away when the Mississippi River eroded a deeper channel in the morainal drift below this lake.

On the folded map of northeastern Minnesota, which accompanies this report, showing in much detail the surface formations, large areas, mainly occupied by outcropping rocks, are mapped from Rainy Lake eastward, adjoining the international boundary and including the two great tracts, of very irregular outlines, which have been designated as the Superior National Forest. A narrower belt of predominant rock outcrops is also mapped, though with some interruptions, at a little distance back from the north shore of Lake Superior along all its extent in Minnesota, from Fond du Lac and Duluth to Pigeon Point. Another such rock belt forms the Mesabi Range, from near Hibbing and Chisholm east and northeastward for fifty miles. For these tracts of rock at or near the surface the map gives this descriptive note: "The rock is exposed or scantily covered by drift, but among the rock knobs are depressions and plains in which forests flourish. Of low grade for agriculture and largely uncultivated."

Chapter 2 is a reprint from the preceding publication on northwestern Minnesota, being a very valuable summary of the climatic conditions of the whole state, contributed by the director of the Minnesota section of the United States Weather Bureau. It has nine full-page maps and ten tables, giving the mean yearly and monthly records, from many years of observations, of tem-

perature, rainfall, and snowfall, and the prevailing directions and average velocity of winds.

The third and final chapter comprises a general statement of the surface geology of northeastern Minnesota and detailed descriptions of each of its counties, namely, Cook, Lake, St. Louis, Koochiching, Itasca, Aitkin, and Carlton, with parts of Cass and Crow Wing. Three drift sheets are discriminated and bear the names given by Tyrrell to three great fields of outflow of the continental glacier: the Keewatin drift, deposited by a vast ice field moving from the northwest over the greater part of this state; the Labradorian drift, spread by a similar ice field flowing from northeastern Canada across the basin of Lake Superior, and the Patrician drift, borne southward by an earlier glacial outflow from a central region of snowfall and deep ice accumulation on the highlands north of Lake Superior and on the area of the new district of Patricia, named in honor of the English princess, on the southwest side of Hudson and James bays.

Minnesota is fortunate in having for this work the service of Mr. Leverett, who, during more than thirty years, has been a specialist of the United States Geological Survey for field work and investigations in surface and glacial geology. Very important also is the aid by Professor Sardeson, former member of the faculty of the University of Minnesota, engaged through many years in researches on the geology and paleontology of the state, and more recently an expert on the drainage and reclamation of its marsh and swamp lands and peat bogs.

Besides the marvelous mines of iron ore along the Vermilion, Mesabi, and Cuyuna ranges, within the northeast part of Minnesota described by this report, its next most noteworthy economic feature consists in its large rocky areas adapted principally for scientific planting and cultivation of forests. But other large tracts are well adapted for agriculture, especially for market gardening to supply vegetables, hardy fruits and berries, and also dairy products, all sure of ready demand in Duluth, St. Paul, and Minneapolis.

The detailed map of this part of the state has contour lines, showing topographic configuration and altitude above the sea, though such lines were not given on the preceding map of northwestern Minnesota. For the south half of the state we may hope

that not only contour lines will be shown, but also the altitudes of many lakes and railway stations, their heights in feet above the sea being printed on the map for convenient reference and comparison. Moreover, a needed detail for this northeastern map remains to be provided, which also was not attempted by the maps of the *Final Report* of the Minnesota Geological Survey: contour lines drawn near together vertically, with intervals of only fifty feet, upon all of Lake and Cook counties. Thus the Sawteeth Mountains, near the lake shore in Cook County between Temperance and Cascade rivers, would be clearly represented, as they are so well seen from all passing steamers or sailing vessels. The map could also show, by insertion of figures, that the shore of Lake Superior, which is the lowest land in Minnesota, is 602 feet above the sea, and that the Misquah hills, near Winchell Lake in the central part of Cook County, the highest points in the state, are about 2,230 feet above the sea.

WARREN UPHAM

Holmes Anniversary Volume: Anthropological Essays Presented to William Henry Holmes in Honor of His Seventieth Birthday, December 1, 1916, by His Friends and Collaborers. (Washington, 1916. vii, 499 p. Portrait, plates, text figures)

This quarto volume of forty-four essays, illustrated by 135 plates as well as by many figures in the text, presents a grand array of observations and studies in themes of great interest to anthropologists, chiefly relating to localities and peoples in the United States, Mexico, and Central America. Two of these papers are reports of special investigations in Minnesota: "Anthropology of the Chippewa" (pages 198-227), by Aleš Hrdlička of the United States National Museum, Washington, and "Ethnic Amalgamation" (pages 228-240), by Professor Albert E. Jenks of the University of Minnesota.

On account of fraudulent acquisition of lands and timber by lumber companies and land speculators from mixed-blood Chippewa (Ojibways) of the White Earth Reservation in Minnesota, following the passage by Congress in 1906-07 of acts providing for individual allotments of tribal lands and permitting mixed-

bloods to alienate property, scientific examination of about seven hundred persons claiming to be full-bloods was conducted by Dr. Hrdlička, for determination of their status, with a view of separating those of pure Ojibway lineage from those having intermixture of blood of other tribes and races. Among those deemed to be wholly of Ojibway descent fifty-nine were selected for description of their physiognomy, stature, and cranial characters. The data obtained are here recorded, in part tabularly, and are compared with similar observations of other tribes in the United States and Mexico, and of white Americans. The author's conclusions are in part as follows: "In color, physiognomy, hair, and visible characteristics in general, the full-blood Chippewa of today are completely of the ordinary Indian type, showing no special features. In stature they range from medium to tall, in body development from medium to stocky, the latter predominating. The head is large, predominantly mesocephalic, and of medium height. The face is both long and broad, the supraorbital ridges frequently pronounced, the forehead often more or less sloping, especially among the men, and often low in appearance, particularly among the women. . . . The tribe, though Algonquian in language and supposedly of eastern origin, shows a larger and relatively broader head, as well as a broader face, than most of the Eastern Indians. In these respects it is probably nearer some of the more central and northern Algonquian tribes, and as will be shown in a future study, it also approaches the Sioux fairly close in some respects, though in the latter the stature is still somewhat higher, the face larger, and the vault of the head lower. In conclusion, it may be mentioned that individual variation among the apparently full-blood Chippewa of today was found in all respects to be quite moderate, which indicates that during the history of the tribe there has been no extensive admixture with Indians of different physical types."

These observations and comparative studies well supplement our knowledge of the Ojibway people contained in the publications of the Minnesota Historical Society; in memoirs by Warren and Winchell on their history; by Gilfillan on their habits and customs, their daily life, and their mental and moral develop-

ment; and by Bishop Whipple on their progress in civilization and Christianization. According to the census of 1910 the number of Ojibways in northern Minnesota is 8,234, most of whom are living on the White Earth, Red Lake, Leech Lake, and several smaller reservations.

The paper by Professor Jenks on "Ethnic Amalgamation" presents a statistical survey and studies, carried on from 1909 to 1912, of forty thousand families in Minneapolis, and, in 1915, of four hundred and eighty families in Sioux Falls, South Dakota, and ninety-five families in Lake Benton Township, Lincoln County, Minnesota. "We learned whether both husband and wife are so-called pure-bred members of the same ethnic group, as, for instance, Irish, or whether one is, for instance, Norwegian and the other German, or whether the amalgamation process has gone so far that the person does not know his ethnic composition, and as a result calls himself an 'American.' The blanks also show whether husband and wife are foreign-born, or are native American-born, and, if the latter, what generation of American birth the person is. The number of unmarried children in the family was also shown." The following chief conclusion is found: "From these studies in a city of 300,000 population, of 20,000 population, and of a country district, it is evident that ethnic amalgamation, or human hybridization, is a powerful factor in America, that it does affect fecundity—being a process toward the gradual numerical weakening of the groups amalgamating. It is thus an increasing factor in America, affecting fecundity to the greatest extent in those families most completely amalgamated. This view is the opposite of that which holds that amalgamation is a mixing or blending together of diverse ethnic groups into a homogeneous group. This view does not accept the 'melting-pot' theory."

A portrait of Professor Holmes forms the frontispiece of this volume; and at the end is a bibliography of his published writings, 184 items, covering the years from 1875 to 1916, compiled by Ella Leary, librarian of the bureau of American ethnology.

WARREN UPHAM

History of Chippewa and Lac qui Parle Counties, Minnesota; Their People, Industries, and Institutions. L. R. MOYER and O. G. DALE, joint editors. In two volumes. (Indianapolis, B. F. Bowen and Company, 1916. 605, 821 p. Illustrated)

History of McLeod County, Minnesota. FRANKLYN CURTISS-WEDGE, editor-in-chief, assisted by RETURN I. HOLCOMBE and a large corps of local contributors, editors, and experienced investigators. (Chicago and Winona, H. C. Cooper Jr. and Company, 1917. xix, 862 p. Illustrated)

The general character of the events and conditions treated in these volumes may be indicated briefly by noting a difference, occasioned largely by geographic influences, between the history of the Chippewa-Lac qui Parle country and that of McLeod County. Traversed by the Minnesota River, one of the natural highways of the state, the Chippewa-Lac qui Parle region appeared earlier in the history of advancing civilization, witnessing in the opening years of the nineteenth century the passage of the explorer Long, the operations of the traders Cameron, Renville, and McLeod, and the labors of the missionaries Williamson, Pond, and Riggs. The McLeod country, though lying to the eastward but remote from both the Minnesota and the Mississippi waterways, remained unoccupied until 1855, when groups of the approaching body of home-making settlers began to take possession. The advance of permanent settlement did not reach the western country, however, until the later sixties. McLeod County, then, has an unbroken history covering sixty years of community development; while the history of Chippewa and Lac qui Parle counties is divided into two distinct parts: an earlier, and perhaps more romantic, period, followed by a somewhat shorter period of settlement and of institutional growth.

Fortunately for the quality of the histories of these regions, the volumes were edited and, in part, written by men who were enabled by training or by knowledge of the facts to rise in a measure above the limitations which ordinarily condition the production of the commercial history. The *History of Chippewa and Lac qui Parle Counties* was the joint work of the late

Lycurgus R. Moyer of Montevideo¹ and O. G. Dale of Madison, men long resident and prominent in these communities. Among Mr. Moyer's contributions to the history of Chippewa County are "An Egotistical Chapter," containing biographical and historical information of value, and a poem. The latter, read some years ago at the annual meeting of the Congregational Church at Montevideo, recounts the history of that church at some length and in the half humorous, half serious vein illustrated by the following verses:

Jerry Wood, at that time deacon,
Sold to Horace Griggs a horse,
The horse was lame or else 'twas balky—
The horse trade took its usual course.

When Deacon Wood had left the country,
A church committee sat on him;
What they did the record saith not—
The records here are faint and dim.

The deacon came back well and hearty,
Led again in churchly work;
In loving service to her Master,
His wife was never known to shirk.

An amount of space greater than their value justifies has been devoted to these and similar features, such as the stories of the Lac qui Parle mission, and too little attention has been given to such topics as "The Railroads," in the discussion of which important dates are not supplied.

The treatment of the settlement of the Chippewa-Lac qui Parle region in a more analytical, and therefore more adequate, manner than has hitherto been attempted in Minnesota county histories, is an encouraging feature. As an indication of the varied sources and character of the immigration into this portion of the state, the names and nativity of representative groups of old settlers are given in a chapter entitled "Composite Elements in Population." The predominance of the Norwegian element, together with the grouping of less numerous elements, such as the Swedish and the German, in certain localities, is noted; at the same time a number of the controlling forces in the produc-

¹ Mr. Moyer died at Montevideo, March 13, 1917.

tion of these results are brought out. Elsewhere in the same volume the influence of other factors upon distribution of population is seen in vivid accounts of the decline of the old village of Lac qui Parle from its position as "the center of the commercial, civic and social life of this region" to a "deserted village" of fewer than a dozen houses, when "the railroad came and passed it by" and the county seat was removed to Madison, one of the new railroad towns. More than a mere statement of cold fact, the description is redolent of the spirit of this—from the point of view of historic Lac qui Parle—"indescribably pathetic" occurrence.

That part of the *History of McLeod County* which deals with the period "from prehistoric times until the middle sixties of the nineteenth century" is in large measure the work of the late Major Return I. Holcombe,² whose knowledge, especially of the Indians in Minnesota history, and whose habitually painstaking efforts to attain accuracy give to this, his last work, an authenticity in keeping with his reputation. The chapter on "Political History," by S. G. Anderson Sr., is noteworthy as giving some indication of the attitude of McLeod County people toward the Grange and the Populist movements, the free silver propaganda, woman suffrage, and prohibition. The volume contains an unusual amount of documentary and statistical material, such as long extracts from the county commissioners' proceedings and copious figures from United States census reports. The value of this material, though undoubtedly great, would be increased were the gist of the information set forth in the form of a connected narrative or exposition. The work would have been more conveniently handled had the biographical portion, which fills 379 pages of this rather ponderous book, been placed in another volume.

The following passage, taken from the Lac qui Parle history, is applicable to more than one Minnesota community: "It is regrettable that with the gradual passing of the older generation, the Lac qui Parle County Old Settlers Association is being per-

² At the time of his death, November 21, 1916, Major Holcombe had nearly finished the portion of the work assigned to him. Others have since edited his manuscripts and added the material necessary to complete his work.

mitted to go into a decline which seems to threaten its usefulness as an organization through which the traditions of another day might be kept alive and a roster of the 'old timers' preserved. Each generation, of course, has its 'old settlers' and should be glad to hand on the traditions and the recollections of the fathers to the succeeding generation that there may be kept alive something of the spirit that animated the pioneers when, behind their plodding ox-teams, they made the long and toilsome journey across the prairie in order to make habitable a wilderness and create a new empire in one of the fairest regions the sun ever shone on."

FRANKLIN F. HOLBROOK

Old Fort Snelling (Iowa and War, no. 1). By MARCUS L. HANSEN. Iowa City, State Historical Society of Iowa, July, 1917. 31 p.)

The fact that the part of Minnesota west of the Mississippi River was included in Iowa Territory from 1838 to 1846 furnishes the excuse, if such be needed, for the publication of an historical sketch of Minnesota's most famous fort as the opening number of a series of pamphlets instituted by the State Historical Society of Iowa. It should be noted, however, that Fort Snelling has been a part of Minnesota ever since the territory was organized, although the contrary might be inferred from the editor's statement that "not until 1849 was it included within Minnesota boundaries."

In accordance with the plan of the series the sketch is distinctly popular in character. It opens with an account of Pike's negotiations for the purchase of the site, but makes no mention of Long's expedition of 1817 which finally determined the location of the post at the mouth of the Minnesota River. The coming of the troops under Colonel Leavenworth and the construction of the fort are then recounted, followed by some references to Mendota and the fur trade and to distinguished visitors. The bulk of the pamphlet, however, is devoted to dramatic incidents in connection with Indian relations and to picturesque aspects of the life of the soldiers in the early days. The sale of the reservation and its recovery by the United States,

the part which the fort played in the Civil and Indian wars, and its later history receive only incidental mention. The last four pages of the pamphlet contain notes dealing largely with additional incidents and phases of the subject, which it would seem might better have been incorporated in the text.

No references to authorities are given, but the author appears to have relied to a considerable extent upon secondary and reminiscient accounts instead of consulting the documentary sources, with the result that a number of errors have crept in. This is particularly true of the account of Pike's negotiations with the Sioux Indians. The customary salutation of a shower of bullets was not occasioned by the arrival of the keel-boat but took place somewhat later, when the Indians came to make arrangements for the council (p. 2). The tract purchased was not "nine miles square," but stretched "from below the confluence of the Mississippi and St. Peters [the Minnesota], up the Mississippi, to include the Falls of St. Anthony, extending nine miles on each side of the river" (p. 3). Another tract "nine miles square at the mouth of the St. Croix" was included in the cession. The "presents valued at two hundred dollars and sixty gallons of liquor" were not designed as payment for the reservations but merely to facilitate the negotiations (p. 3). The treaty provided: "That, in consideration of the above grants, the United States shall pay [*blank*]," and the blank was filled in at two thousand dollars when the treaty was ratified by the United States Senate. The actual payment was made by the distribution of goods by Major Forsyth in 1819. It is only by a stretch of the imagination that the Sibley House can be called "the first capitol of Minnesota" (p. 10).

In spite of these errors the sketch presents an accurate and entertaining picture of "Old Fort Snelling," of special interest at the present time when the fort is again playing a prominent part in the history of the Northwest and of the nation.

S. J. B.

Early Narratives of the Northwest, 1634-1699 (Original Narratives of Early American History). Edited by LOUISE PHELPS KELLOGG, PH. D., of the Research Department of the State Historical Society of Wisconsin. (New York, Charles Scribner's Sons, 1917. xiv, 382 p.)

The closing volume of the series of *Original Narratives* published under the auspices of the American Historical Association is devoted to accounts of the discovery and exploration of the region of the Great Lakes and upper Mississippi during the latter half of the seventeenth century. The French conquest of this territory, whether effected by devoted priests under the direction of various religious orders or by intrepid adventurers encouraged and financed in their undertakings by officials of the French government, furnishes one of the most fascinating chapters of American history. The narratives assembled in the present collection include the reports on the discoveries of Jean Nicolet by Father Vimont, and of Raymbault and Jogues by Father Lalemant, as given in the *Jesuit Relation* of 1642; accounts of the expeditions of Radisson and Groseilliers, Allouez, Dollier and Galinée, Joliet and Marquette, Duluth, and St. Cosme as related by themselves; the travels of Perrot as described by La Potherie, who had access to the explorer's journals; and the "Memoir on La Salle's Discoveries" by Henri de Tonty. The Radisson manuscript was written in English, and the present reprint is from the edition brought out by the Prince Society of Boston. The other narratives were written in French and in every case English translations as well as the French versions are available in print. With two exceptions Dr. Kellogg has used for the present volume what are evidently regarded as the most authoritative English translations without indicating that further critical comparison with the original French version has been made. Falconer's translation of Tonty's *Memoir* as reprinted in volume 1 of the *Illinois Historical Collections* is reproduced "with many textual corrections." The version of the St. Cosme letter used has never been in print. It is a translation made from the original manuscript by Crawford Lindsay, changed in a few minor particulars as a result of a critical comparison with a photostat copy of a transcript of the original belonging to the Chicago His-

torical Society. Both the photostat copy and the Lindsay translation are in the possession of the Wisconsin Historical Society.

Each narrative is prefaced by an introductory note containing a short sketch of the explorer with a bare outline of his discoveries and explorations, and bibliographical information about the original manuscript and extant published versions and translations of the extract reproduced. Many obscure points in the lives and activities of the subjects of these sketches have yet to be cleared up; and it is a matter of regret that the editor's introductions do not contain references to the sources on which her own conclusions are based, or more extended analyses of the views held by other scholars. The review of Nicolet's journey of 1634, for example, makes no note of the possibility that the explorer may have come up the St. Mary's River as far as the falls; likewise if it can be stated with assurance that Groseilliers arrived in New France in 1637, when in the opinion of several scholars of note he came in 1641 or perhaps a year or two later, the source for such assurance should be indicated. Some of the narratives are annotated very fully; others, especially the Radisson manuscript which presents many perplexing problems, are accompanied by little in the way of comment or elucidation. Information such as that supplied in the note on the battle of Seneff (p. 329 n. 3), or on Louis Joliet (p. 191 n. 1), or on Louis de Buade, Count of Frontenac (p. 227 n. 3) is so easily accessible that one is inclined to question the advisability of assigning to it space which might well have been employed to better advantage.

Students of Minnesota history will be somewhat at a loss to understand why some extracts at least of Hennepin's narrative could not have been included in the volume; and it would seem that space ought to have been found for Perrot's proclamation at Fort St. Antoine on Lake Pepin in 1689, if only to mark the establishment of the first French posts on the upper Mississippi.

FRANC M. POTTER

The Story of Minnesota. By GRACE EMERY and RHODA J. EMERY. (St. Paul, 1916. 174 p.)

The increasing attention that is being paid to the study of Minnesota history in the public schools of the state has resulted in the publication of several histories adapted for use as texts. Two of these, Parsons' *The Story of Minnesota* and Pollock's

Our Minnesota, were reviewed in the May number of the BULLETIN. The authors of the present volume have been engaged as teachers in the schools of St. Paul for a number of years and have been actively identified with those who are interested in the history of the state.

The opening chapter of the book presents in compact form the most important data relating to the geography of Minnesota. This is followed by a chapter devoted to an account of the two principal Indian tribes that inhabited the region when it was visited first by white men, the Sioux and the Chippewa. The essential facts of the period of exploration and early settlement are treated fully in the three succeeding chapters. The history of Minnesota during the territorial period, including a fairly adequate account of the progress of settlement and of the development of transportation facilities, forms the subject matter of chapter 6. Chapters 7-9 treat of the organization of the state government, the part which Minnesota played in the Civil War, and the Sioux outbreak of 1862. The remainder of the book (chapters 10-19) is concerned with "State Development," and includes accounts of the growth of the agricultural, stock-raising, milling, lumbering, mining, and quarrying industries, a discussion of the state's educational facilities and of its penal, correctional, and charitable institutions, and a review of recent important legislation.

The book is written in a simple and direct style, but is somewhat lacking in those vivid and picturesque qualities which serve to arouse the interest of the younger student. The reader misses in its pages the spirit of romance and adventure of the early period, and he does not come to have an intimate acquaintance with the life of the pioneers or an adequate understanding of the diverse foreign elements which have made their influence felt throughout the history of the state.

The material in the various chapters is well organized and its arrangement is indicated by black-letter side-headings. The development of the narrative is continually interrupted, however, by the interpolation in the body of the text of explanatory, illustrative, or biographical notes, forming separate paragraphs in type of the same size as that of the text, and set off from the material preceding and following by dashes. Notes of this character should either be placed at the foot of the page in smaller

type or be grouped at the end of each chapter or at the close of the book. An undue amount of space has been devoted to detailed accounts of the journeys of Hennepin, Pike, and Long. The practice of introducing into a school text extended extracts from original narratives of exploration is open to criticism.

The value of the book is appreciably impaired by numerous errors. A few instances will serve to illustrate the lack of care which has been exercised in the gathering of material. The Dakotas are not "descendants of the Iroquois," but are members of the Siouan family, a linguistic group distinct from the Iroquois family (p. 9). The best authorities now place Duluth's post not "on the left bank of the Pigeon River" in Minnesota, but on the Kaministiquia River in Canada, near the site of the present Fort William (p. 20). It is incorrect to say that Jonathan Carver "was sent out by England into her new, far western possessions" (p. 28). Carver was born in the province of Connecticut, and his journey of exploration into the Minnesota region was not made under the direction of government officials. The errors which occur in the account of Pike's expedition are more inexcusable in view of the fact that his own narrative has been used as a source. Pike received his orders not from President Jefferson but from General Wilkinson, although it is more than probable that the president had some knowledge of the project (p. 32). The statement on page 35 that Pike on the day following his arrival at St. Peter's (the Minnesota) returned to Kaposia where he met in council three great chiefs with whom he negotiated for a grant of land does not agree with Pike's own account. The council was held on the island at the mouth of the St. Peter's on the second day after his arrival. That the grant of 100,000 acres included "the St. Anthony Falls and the St. Croix River" (p. 36) is a very indefinite way of indicating its extent. The treaty signed, Pike resumed his journey up the Mississippi, embarking at the island, not at Kaposia, as stated on page 37. The American Fur Company was organized under a charter granted by the legislature of New York in 1808, instead of being incorporated under the authority of Congress in 1809; Astor's general manager for many years was Ramsay Crooks, instead of William Crooks; and it was in 1843 rather than 1847 that the business of the American Fur Company in Minnesota was taken over by Pierre Chouteau Jr. and Company of St. Louis (p. 40). Big Stone Lake

is twice referred to as the source of the Minnesota River although the actual source is some twenty-five miles beyond the head of the lake (pp. 45, 47). The expedition sent out in pursuit of Inkpaduta's band in 1857 under the leadership of Little Crow did not bring back the "two women captives"; they had been rescued through the efforts of friendly Indians several weeks before the dispatch of the expedition (p. 105). It is to be regretted that the authors have followed Long in translating the word "Minnesota" as "turbid water" (p. 5). Many scholars prefer the meaning "clouded water," given by the well-known authority on the language of the Dakotas, Stephen R. Riggs, in his *Grammar and Dictionary of the Dakota Language*. He translates "sota" as "clear, but not perfectly so; slightly clouded, but not turbid; sky-colored."

There are many evidences that the work of proofreading has been carelessly done. Most of the errors occur in the spelling of proper names. Among the more serious may be noted: "1560" for "1660" (p. 19); "Greyloseson" (p. 20), "Greyloson" (p. 143) for "Greysolon"; "Anguelle" for "Auguelle" (p. 25); "De Sota" for "De Soto" (p. 21); "relinguished" (p. 31); "order" for "ordered" (p. 32); "Shield" for "Shields" (p. 90); "Sandborn" for "Sanborn" (p. 95); "Ft. Sumpter" for "Ft. Sumter" (p. 96); "Niell" for "Neill" (p. 97); "Le Luc" for "Le Duc" (p. 119); and "E. W. Barkus" for "E. W. Backus" (p. 138).

The authors acknowledge in the preface their indebtedness "to the valuable collections of the Minnesota Historical Society, including histories of Minnesota by Folwell, Flandreau, Niell, Folsom, Castle, Upham, Holcombe and Winchell." They do not, however, in the body of the book give specific references to the authorities consulted, except in a few instances where long extracts are quoted. The index is really an analytical table of contents and should have been placed at the beginning rather than at the end of the book. Inasmuch as the page numbers have been omitted it possesses little value. The book contains one outline map of Minnesota, on which a number of the more important cities and a few places of historical interest are indicated. County names and boundaries ought also to have been included. A moderate number of carefully selected illustrations would have added to the attractiveness of the work.

F. M. P.

MINNESOTA HISTORICAL SOCIETY NOTES

The executive committee has approved the following statement of the policy of the society with reference to the acceptance of material on deposit:

"Owners of material offered on deposit will be urged to present the material outright, with the understanding that it shall be accessible to them at all times when the department to which it belongs is open. Material will be accepted subject to restrictions as to the use to be made of it, such restrictions to be agreed upon in each case and formulated in writing.

"Material of special value, which can not be secured as the property of the society, and which is in danger of destruction if not deposited with the society, or which, if accepted on deposit, is likely to become ultimately the property of the society, may be so accepted under the following conditions:

1. The society will not assume any responsibility for material so deposited in case of loss or destruction by theft, fire, or otherwise.

2. Material so deposited by an individual shall become the property of the society upon the death of that individual without having reclaimed it. In the case of material deposited by a society or corporation, whenever possible a definite date shall be fixed after which it shall become the property of the Minnesota Historical Society if not previously reclaimed.

3. Owners of material on deposit may be notified at any time that the material must be removed within a specified period, and if not so removed, it shall then become the property of the society.

"These conditions shall not apply to material desired by the society for a special purpose and a limited period, such as for special exhibitions, research work, or the making of transcripts."

The prospects are that the new building for the society will not be completed before December. The bookstack will probably be ready for occupancy before the rest of the building is com-

pleted and it is hoped that the formidable task of moving the library to its new quarters may be begun about November 1. The Mississippi Valley Historical Association having accepted the society's invitation to hold its annual meeting in St. Paul in May, it is probable that arrangements will be made for the dedication of the building at that time.

Very Rev. Humphrey Moynihan and Bernard Snell, both of St. Paul, were enrolled as active members during the quarter ending July 31, 1917. Deaths among the members during the same period were as follows: Dr. Burnside Foster of St. Paul, June 12; Hon. Matthew G. Norton of Winona, July 15; and Rev. William C. Pope of St. Paul, June 7. William Hayes of Winona died on March 27.

Miss Ada Nelson of the Grinnell College Library has been appointed a catalogue assistant on the staff of the society.

GIFTS

A rare pamphlet of thirty-two pages containing a realistic narrative of experiences in Andersonville prison has been presented to the society by Mr. B. M. Aslakson of Chicago. It is entitled *Ti Maaneders Fangenskap i Andersonville* and was written by Burns (Björn) Aslakson, the father of the donor, who settled in Carver County in 1855 and in 1862 enlisted as a volunteer in Company H of the Ninth Minnesota Infantry. The donor states that the pamphlet was printed about thirty years ago by the Augsburg Publishing Company of Minneapolis. It contains an introductory note by Professor Sven Oftedal, who was at that time editor of *Folkebladet*, and who was a personal friend of the author and presumably edited the narrative.

Dr. William Watts Folwell has deposited with the society a part of his files of correspondence accumulated during many years of service to the people of the state and expects to turn over additional material from time to time. The "Folwell Papers," as they will be designated, will be a valuable addition to the manuscript collection of the society.

Hon. Charles P. Craig of Duluth, who was chairman of the Minnesota Efficiency and Economy Commission appointed by

Governor Eberhart in October, 1913, has turned over the records of this commission to be preserved by the society as a part of the state archives.

Miss A. S. Millard of St. Paul has given the society a postal card written by the late Bishop Edsall, November 28, 1914, expressing his views on peace and disarmament as follows: "I cordially endorse all efforts tending to foster the desire for ultimate peace and universal disarmament. I believe tho that the present war should be fought to such a finish that militarism should be crushed and discouraged; and that pending agreement for universal disarmament our own country should maintain an efficient navy and army."

Three oil paintings which formerly hung in the Zimmerman photographic studio, St. Paul, have been presented by Mrs. C. A. Zimmerman. The subjects are William K. Gaston, an attorney in St. Paul for forty years; Robert Armstrong Smith, several times mayor of St. Paul; and Willis A. Gorman, second governor of Minnesota Territory. The names of the painters of the first two have not been ascertained. The last is the work of Carl Guthertz, an artist of national reputation, and was made from a photograph in 1883.

From Mrs. N. W. Reay of St. Paul the society has received through the courtesy of the St. Paul Public Library a collection of New York papers published during the Civil War. These files of the *Herald*, *Times*, and *Evening Post*, while incomplete, contain much material of value to the student of history.

Through the courtesy of Dr. William W. Folwell, Mr. Edward I. Kimball of Minneapolis has presented a collection of interesting letters written by his father, Major W. M. Kimball, in 1863, while he was participating in Sibley's campaign against the Indians.

The society is indebted to Mr. A. A. Pollard of Minneapolis for a file of *Construction Details*, a magazine published in St. Paul during the years 1912-15 in the interests of architects and the building trades. Mr. Pollard also presented a small volume of verse by Mr. George E. Bertrand, a well-known architect of

Minneapolis, entitled *Sonnets to the Ideal* (Minneapolis, 1911. 39 p.).

The Corning-Firestone Advertising Agency has presented portraits of sixteen prominent citizens of St. Paul, each accompanied by brief biographical data. These are advance sheets of a book to be entitled "The Men of St. Paul," which will contain several hundred such pictures.

The society has received from Mrs. W. R. Weide of Madison, South Dakota, several pictures of historical interest. A photograph of Fort Snelling, taken in 1850, and one of the Falls of St. Anthony, taken in 1868, are especially worthy of note.

Mr. D. D. Smith of St. Paul has donated a prospectus of the *American Cyclopedia* containing a valuable list of autograph signatures of early residents of Minnesota.

A lithograph of the city of Winona, dated 1874, has been presented by Hon. George T. Simpson of Minneapolis.

The society receives many new books and pamphlets, especially privately printed ones, as gifts from the authors or publishers. Among the items of this sort that have come in recently are the following: *Rambles about Historic Brooklyn*, from the publisher, the Brooklyn Trust Company; *Souvenir of the Diamond Jubilee of St. Mary's Church, Iowa City*, from the compiler, Joseph Fuhrmann; *The Diamond Jubilee of St. Joseph's Church, Ft. Madison, Iowa*, from the compiler, Rev. A. J. Kaiser; *Albert S. Pease, Selections from His Poems, with an Autobiography and a Genealogy of His Descendants*, from Mrs. Nellie Pease White-side; *Additional Baskerville Genealogy*, from the author, P. Hamilton Baskervill; *The Raritan, Notes on a River and a Family*, from the author, John C. Van Dyke; *Genealogy of the Descendants of John Whitmarsh*, from the author, Newton Whitmarsh Bates; and *The Corbett Family*, from the author, Henry R. Corbett. Such gifts are very much appreciated as it is usually difficult to secure privately printed books through the regular book market.

NEWS AND COMMENT

The Michigan Historical Commission has begun the publication of a quarterly entitled the *Michigan History Magazine*, the form of which is somewhat similar to that of the MINNESOTA HISTORY BULLETIN. The first issue, dated July, 1917, contains five articles and a section devoted to "Historical News, Notes and Comment." Included in the latter are extensive reports on the organization and activities of county and other local historical societies and on the historical work of local chapters of the Daughters of the American Revolution. From one of the news items it appears that the legislature has appropriated eight hundred thousand dollars for the erection of a state building in which space will be provided for the offices and files of the commission, including the state archives, and for a pioneer museum.

All students of western history will rejoice at the inauguration of a series of collections devoted to the publication of original documents for the history of Ohio and the Northwest Territory. While the younger states of the Northwest have been publishing their historical records, Ohio has lagged behind. The work of publication in this state has finally been begun, not by the state or by a state-supported society or institution, but by the Marietta Historical Commission, created by the trustees of Marietta College in February, 1916. The series is entitled *Marietta College Historical Collections*; and the first volume, which is also volume 1 of the *Ohio Company Series*, contains *The Records of the Original Proceedings of the Ohio Company* (1917. cxxxvii, 132 p.). The editor is Professor Archer Butler Hulbert, who contributes a long introduction entitled "The Ohio Company and 'Scioto Right.'" The "Proceedings," which cover the period from the organization of the company in January, 1786, to December, 1789, are supplied with ample annotations. The volume is attractively printed and bound.

The *Sixtieth Annual Yearbook* of the Chicago Historical Society (1916. 242 p.), containing the report for the year ending

October 31, 1916, shows the society to be one of the most active and effective local historical societies in the United States. By means of a special campaign conducted by an expert solicitor on a percentage basis the membership was increased during the year from about two hundred to over nine hundred. As the dues paid by the various classes of members range from ten dollars a year up, this means a considerable increase in income. The society also has invested funds amounting to over \$138,000. The account of the activities for the year contains many valuable suggestions for other institutions. Especially significant are the numerous special exhibitions in the museum and the annual course of local history lectures to school children. These lectures, the expense of which is borne by a single member of the society, were attended by 7,800 delegates from the city schools. A better way of interesting a large community in its history and of training its children for citizenship could hardly be devised.

The California Historical Survey Commission, which was established by the state legislature in 1915 for the purpose of locating and making a record of historical material in the state, has issued a *Preliminary Report* (February, 1917. 71 p.). A survey of the county archives is nearly completed and many private collections have been located and inventoried. The results of this work will be published in a report of several volumes. The present pamphlet contains, besides an account of the work of the commission, "An Historical Analysis of the Archives of the County Clerk" and two "Sample Archive Reports." With similar surveys completed in Illinois and under way in Michigan and Minnesota, the advocates of the preservation of the materials for state and local history and especially of local archives have much to encourage them.

The Illinois Centennial Commission has brought out as the introductory volume of its *Publications*, a work entitled *Illinois in 1818*, by Solon J. Buck (Springfield, 1917. 362 p.). The book contains a survey of social, economic, and political conditions and an account of events connected with the admission of the state to the Union. The commission expects to publish a comprehensive five-volume history of the state in the centennial year, 1918.

The Texas State Library has published *Governor's Messages, Coke to Ross (Inclusive), 1874-1891* (1916. 820 p.). The volume inaugurates the *Executive Series* of the *Collections of the Archive & History Department of the Texas State Library*. It is to be hoped that future volumes will be edited more in accordance with the canons of modern historical scholarship.

The paper on "The Military-Indian Frontier 1830-1835," read by Ruth A. Gallaher at the last meeting of the Mississippi Valley Historical Association, is published in the July number of the *Iowa Journal of History and Politics*. Miss Gallaher discusses the location and character of the frontier forts, the organization of the army, and the relations of the troops with the Indians and with the settlers.

The last installment of "Chronology of the American Hierarchy," by Right Rev. Owen B. Corrigan, in the July number of the *Catholic Historical Review*, covers the provinces of Chicago, St. Paul, and Des Moines, and presents in convenient form essential data for the history of Catholicism in the Northwest.

A life of *George Armstrong Custer*, by Frederick S. Dellenbaugh, has been published by Macmillan (New York, 1917. 188 p.). About half the book is devoted to Custer's Indian campaigns.

Sieur du Lhut (Duluth, 1917. 46 p.) is the title of an historical play in four acts by Mrs. Stella Prince Stocker of Duluth. Its action centers around incidents in the career of this most notable figure among the French explorers who ventured into the wilderness about the head of Lake Superior during the seventeenth century. The narrative follows the scanty historical records that are available as closely as the exigencies of dramatic production permit, but the thread of romance that runs through the play is pure fiction. The traditions and customs of the Chippewa Indians, who are so closely connected with the early history of Minnesota, are embodied in the various scenes; and Chippewa melodies, of which the author has been for a number of years an enthusiastic collector, furnish the incidental music. The play was given its first presentation at Duluth on June 22 under the auspices of the Association of Collegiate Alumnae. The vivid

and faithful picture which it gives of the period portrayed makes it, however, well worth production in localities other than the one with which the name of its central figure is identified.

Dr. George Bryce contributes to the June issue of the *Canadian Magazine* a biographical sketch of "Alexander Ross" based upon his journals and letters and upon the author's personal acquaintance with the Ross family. To the student of the fur trade Ross is of interest in that he accompanied Astor to the Columbia River region and was subsequently employed by the Northwest Company from 1814 to 1825. From that time until his death in 1856 Ross was a prominent figure in the Selkirk settlement.

The *Western Magazine* for May contains a sketch and portrait of "Hon. Hascal Brill, Who Holds the Longest Service Record as Jurist," and an illustrated "Story of Park Square," St. Paul, which includes historical sketches of the wholesale establishments of Noyes Brothers and Cutler, C. Gotzian and Company, the Goodyear Rubber Company (St. Paul branch), the Western Supply Company, Robinson, Straus, and Company, Finch, Van Slyck, and McConville, G. Sommers and Company, and Whaley and Anglim. An article in the June issue entitled "In the Country of the St. Croix," by C. L. Llewellyn, contains historical and descriptive notes on Taylors Falls and vicinity.

Recent numbers of the *Samband* (Minneapolis) contain articles of peculiar interest for the student of the Scandinavian element in Minnesota. In the July issue Mrs. Anna E. Mohn brings to a conclusion "De første aar ved St. Olaf College," begun in April, 1916, in which the writer, who came to Northfield in 1875, tells of the foundation in 1874 of this institution—the first Norwegian coeducational college in the United States—and of its later development. O. S. Johnson of Spring Grove is the author of two valuable contributions: "Lidt nybyggerhistorie fra Spring Grove og omegn," which reaches the twenty-seventh installment in the July number, is an account of the Norwegians who settled in Spring Grove and its vicinity; "Udvandringshistorie fra Ringerikesbygderne," which has been appearing since August, 1916, is a record of emigrants to America from Ringerike, Norway, many of whom settled in Minnesota. In the

May issue the editor of the periodical, A. A. Veblen, in an article entitled "Bygdelagenes Fællesarkiv" discusses the inception, development, and apparent failure—for the present at least—of the plan to erect a building in which to house historical material relating to the Norwegian element. The proposal to erect the structure on the University of Minnesota campus is being opposed by those who favor its location at a Norwegian institution, preferably Luther College in Decorah, Iowa. A happy solution of the problem might be reached by making the Minnesota Historical Society, already in possession of a large Scandinavian collection, the depository of whatever further historical material relating to this element may be available.

A reminiscent article in the May number of *Familiens Magasin* (Minneapolis) by Senator E. E. Lobeck of Alexandria, entitled "Minder fra Guttetdagene," includes a few details concerning early religious services in Holmes City, Douglas County. The June number of the same periodical contains under the title "Interessante Skisser fra Pioneertiden en besværlig Bryllupsreise" a description of a wedding journey in March, 1884, from Benson to Lincoln County which throws some light on the progress of settlement and transportation facilities in the southwestern part of the state at that period.

"St. Paul, Red River, and York Factory" is the title of an article by Aubrey Fullerton in the *Bellman* of June 23, which deals with the history of transportation along the route indicated. The article is illustrated with pictures of early Winnipeg, a York boat, a Red River cart, the first locomotive in Manitoba, and the steamer "Anson Northup."

The April number of *Vikværingen* (Minneapolis), the official organ of the Kristianialag, contains biographical sketches of a number of its more important members residing in Minneapolis.

The summer number of *Corning's Quarterly Razoo* contains an historical sketch of "The White Bear Yacht Club," by Leavitt Corning.

Dr. Upham's review of David Thompson's *Narrative of His Explorations in North America* in the November BULLETIN is reprinted in the *Red Lake Falls Gazette* of May 17. The June 4

issue of the *Rochester Daily Post and Record* contains a review of Charles C. Willson's account of the Kensington rune stone, which appeared in the February number of the *BULLETIN*.

About three hundred school children successfully presented an historical pageant in Fairmont, May 16. The history of Fairmont and the immediate vicinity was represented by a series of tableaux and dances arranged in four parts: the first illustrating the period of Indian occupation; the second, the coming of the pioneers; the third, the arrival of a colony from England in the early seventies; and the fourth, the later period of peace and prosperity. One of the most novel of the dances was that symbolizing the grasshopper scourge.

The convening of the Minnesota Conference of the Lutheran Synod on May 8-14 at Center City was an event of historical interest, since the organization of the conference on October 8, 1858, was effected at the same place, known at the time as Chisago Lake. A feature of the session was the service on May 12 commemorating the sixty-third anniversary of the establishment of the Swedish Lutheran Church of Center City, the oldest church of this denomination in the state. Some incidents connected with the first meeting as well as the later history of the conference are given in the May 10 issue of the *Chisago County Press* (Lindstrom) under the title "Chisago Lake the Cradle of the Minnesota Conference." The article is accompanied by pictures of the old church in which the conference met in 1858, and of "Berg's barn and granary," the structure in which the first Lutheran services were held in Center City. The same issue of the *Press* also contains an account of the arrival of the first Swedish immigrants in this locality in 1850 and 1851, in an article entitled "The Chisago Lake Country Sixty-Seven Years Ago and the Chisago Lake of To-Day." A later issue (May 24) prints a letter from Daniel Anderson of Coronado, California, one of the immigrants of 1851, who corrects from his own recollections several misstatements in the article of May 10.

The bronze monument erected in the courthouse square in Stillwater in memory of the soldiers and sailors of Washington County who served in the Civil War was unveiled on April 27,

the fifty-sixth anniversary of the day when the first company of volunteers left Stillwater for the South. The monument is the work of C. Kohlhausen of Boston, and represents the figure of a soldier, gun in hand, making a charge. Attached to the base are bronze tablets on which the names of over nine hundred soldiers and sailors are inscribed. The plan is to add in the future the names of the men from the county who took part in the Spanish-American War and of those who shall serve in the present war.

On July 4 the monument raised in memory of the soldiers of the Civil War by the Sons of Veterans of Paynesville was unveiled. The names of the veterans who are buried in the Paynesville, Zion, Salem, and Hawick cemeteries are enrolled on the shaft.

On June 10 about fifty members of the congregation celebrated at Fort Snelling the eighty-second anniversary of the foundation of what is now the First Presbyterian Church of Minneapolis. The pastor, Dr. J. T. Bergen, read extracts from the old minute book of the original congregation. "The First Presbyterian church at St. Peter's, Upper Mississippi River country," located at Fort Snelling, was the first Protestant church founded in the region which became Minnesota. A list of the charter members of the congregation is given in the account of the exercises appearing in the *Minneapolis Journal* of June 11.

The early history of the First Presbyterian Church of Redwood Falls appears in the June 27 issue of the *Redwood Gazette* under the title "Fifty Years of Church History," by Luella Turrell. An account of the organization in 1867, lists of early members and of officiating pastors, and other interesting facts, taken from a manuscript note-book containing the church records, are given.

The fiftieth anniversary of the organization of the West Free-born Norwegian Lutheran Church of Manchester was commemorated by appropriate exercises, July 1. A history of the church from its beginning with brief biographies of the pastors is contributed to the July 11 issue of the *Albert Lea Times-Enterprise* by Rev. J. H. Lunde, the present pastor.

The fortieth anniversary of the organization of the Swedish Lutheran Church of Fergus Falls was celebrated May 25-27. The May 26 issue of the *Fergus Falls Daily Journal* contains summaries of the addresses, historical in character, given by several clergymen who have served the church as pastor.

An account of the dedication of the new church of the Bethel Lutheran Congregation of St. Olaf Township, Otter Tail County, including an historical sketch of the congregation from the first meeting in 1869, the names of the early members, and a list of the pastors, appears in the *Fergus Falls Ugeblad* of June 13.

The announcement of the celebration by the German Lutheran St. Petri Congregation of Ellsworth of the twenty-fifth anniversary of the dedication of its church building, appearing in the *Hutchinson Leader* of July 13, contains a list of the pastors from 1889 to the present time.

The fiftieth anniversary of the building of the Catholic Church of Leavenworth, the first house of worship to be erected in Brown County, was celebrated on June 20. The *Sleepy Eye Herald-Dispatch* of June 15 contains a history of the church together with some account of the settlement of the town.

The forty-ninth anniversary of the occupation of the White Earth Reservation by the Chippewa was celebrated at White Earth on June 14 by a large gathering of the Indians of the reservation.

The old settlers of Beltrami County held a picnic at Clementson on May 15 to commemorate the twenty-first anniversary of the opening of the Red Lake Indian Reservation lands to settlement.

The second annual picnic of former residents of Fergus Falls living in Minneapolis and St. Paul was held at Minnehaha Falls, June 16. An address on the early history of Otter Tail County, delivered on this occasion by Ole Jorgens of Minneapolis, the first auditor of the county, is published in the June 20 issue of the *Fergus Falls Daily Journal*.

The Read's Landing Association of the Twin Cities held its tenth annual home-coming at Reads, June 30. The president's

address, by Fred A. Bill, on the organization, growth, and work of the association is published in the *Wabasha County Herald* (Wabasha) of July 5.

About one hundred and fifty pioneers and their wives celebrated the fifty-ninth anniversary of the admission of Minnesota to the Union at the annual meeting of the Minnesota Territorial Pioneers' Association on May 11 at the Old Capitol, St. Paul. The usual entertaining program of addresses was given. The following officers were reelected: Frank C. Ford of Newport, president; Andrew C. Dunn of Winnebago, first vice president; R. H. Jefferson of Bingham Lake, second vice president; George H. Hazzard of St. Paul, secretary; and John A. Stees of St. Paul, treasurer. The Territorial Pioneers Woman's Club, of which Miss Harriet Godfrey of Minneapolis is president, held its business meeting on the same day.

A joint meeting of the Minnesota Old Settlers' Association and the Minnesota Territorial Pioneers' Association was held on June 1, in the rooms of the latter organization in the Old Capitol, St. Paul. The occasion was notable as being the last official meeting of the Old Settlers. Of the four members surviving out of a total membership of 275, only two were present: John Daubney of Taylors Falls and Captain Edward W. Durant of Charleston, South Carolina, formerly of Stillwater. Two matters which came before the meeting are of general interest: the adoption of a resolution requesting "the State Department of Education to include the History of Minnesota among the required courses of study in the public schools of this state"; and the appointment of a committee to promote patriotic observance of June 1, the anniversary of the organization of Minnesota Territory. The Minnesota Historical Society has been requested to take charge of the records of the Old Settlers' Association, which cover a period of sixty years.

The following old settlers' associations have held annual meetings during the months from April to July: Pennington County Old Settlers' Society at Thief River Falls, April 10; Territorial Pioneers' Association of Freeborn County at Albert Lea, May 11; Hennepin County Territorial Pioneers' Association at the

Godfrey House, Richard Chute Square, Minneapolis, June 1; Stearns County Old Settlers' Association at Sauk Center, June 5; Mapleton and Sterling Old Settlers' Association at Mapleton, June 12; Old Settlers', Soldiers', and Sailors' Association of Fillmore County at Harmony, June 14; Steele County Old Settlers' Association, formerly known as the Havana Old Settlers' Association, at Owatonna, June 14; Old Settlers of Lincoln County at Lake Benton, June 15; Old Settlers of Wright County at Buffalo, June 16; Kandiyohi County Old Settlers' Association on the John Wicklund farm in Kandiyohi Township, June 19; Old Settlers of Dodge County at Dodge Center, June 19; Martin County Old Settlers' Association at Fairmont, June 20; Northfield Old Settlers' Association at Northfield, June 20; Old Settlers of Clay County at Baker, June 21; Renville County Pioneers' Association at Franklin, June 22 and 23; Otter Tail County Old Settlers' Association at Battle Lake, June 24; Grant County Old Settlers' Association at Barrett, June 25; Territorial Old Settlers' Association of Blue Earth County at Mankato, July 2; Norman County Old Settlers' Association at Ada, July 4; Old Settlers of Roseau County at Roseau, July 22; and Vermilion Range Old Settlers' Association at Ely, July 26 and 27.

An effort was made in the legislature of 1917 to establish an historic trail and highway which should touch as many points connected with the Sioux outbreak of 1862 as possible on a route extending from Traverse des Sioux on the east to Browns Valley on the west. A joint resolution to this effect was passed in the senate on April 12, but failed of consideration in the house. The supporters of the project have not given up, however, and a meeting was held at Redwood Falls on May 26, where a formal organization was effected. Mr. Frank Hopkins of Fairfax was elected president; Mr. A. B. Kaercher of Ortonville, vice president; and Mr. A. R. A. Laudon of Redwood Falls, secretary-treasurer. These officers, together with one representative from each county traversed by the proposed trail, make up the board of directors, which body is to complete the organization of the association and to work out the routing of the trail. An account of the meeting of May 26, which appears in the *Redwood Gazette* of May 30, has been issued in circular form for distribution. An

editorial on "Naming the Trail" in the *New Ulm Review* of June 6, approving a suggestion that the proposed highway be called "Lynd Trail," contains a sketch of James W. Lynd, who was engaged in the fur trade at the Lower Agency and was the first white man killed at that point in the outbreak.

The *Minneapolis Tribune* celebrated the fiftieth anniversary of its founding by printing as a supplement to the May 25 number a facsimile of the first issue of the paper, published on May 25, 1867. The copy photographed was that preserved in the files of the newspaper department of the Minnesota Historical Society. The same issue of the *Tribune* devotes a page to an illustrated article on the history of the paper, while under the general heading "For Half a Century the City's Daily Diary" are grouped brief studies of the changes which have taken place in the industrial, social, educational, and religious life of Minneapolis. Among them may be noted the following: "Flour Mill History," "First Park Given to Minneapolis in 1867," "Chicago in 28 Hours Was Record in 1867," "Society Editor Goes Back into Archives," and "Physicians of Early Times were Pioneers." The publication of this anniversary number led Major Edwin Clark, pioneer editor of Minneapolis, who with W. A. Croffut began the publication of the first daily paper in that city, the *Falls Evening News*, on September 28, 1857, to contribute to the *Tribune* of June 1 a valuable account of the early newspapers of Minneapolis.

An address on the "History of Kandiyohi Townsite," read by Victor E. Lawson at the meeting of the Old Settlers' Association of Kandiyohi County, June 19, is printed in full in the June 27 issue of the *Willmar Tribune*, of which Mr. Lawson is the editor. The first part of the address is devoted to the history of the various attempts made to secure the removal of the state capital from St. Paul to the capital lands in Kandiyohi Township selected in 1858 and 1860 in accordance with a provision of the enabling act. The connection between the capital site question and the explorations and surveys conducted in the Kandiyohi Lakes region in 1856 by the "Whitefield Exploration Association," is brought out. Extracts from the manuscript narrative of Mr. Edwin Whitefield, the artist and publicity agent of the association, describing the district explored, add interest and value to the

address. Mr. Lawson closes with a discussion of the early efforts made by the Kandiyohi Townsite Company to attract permanent settlers.

The completion by the government of the engineering projects by which Minneapolis becomes again the head of navigation on the Mississippi was marked by the passage of the lighthouse tender "Dandelion" from St. Paul up through the government locks to Minneapolis on July 3. A facsimile of that part of the log on which the names of those aboard were written is reproduced in the *Minneapolis Journal* of July 8. In the list are several men well known in connection with the steamboat traffic of early days. The same issue of the *Journal* contains an illustrated article dealing with certain phases of the history of transportation on the Mississippi. The reminiscences of Captain William H. Leavitt of Minneapolis, a steamboat captain on the river in the eighties, are related in the *Journal* of May 6.

Several articles of interest to the student of transportation on the upper Mississippi have appeared recently in the *Saturday Evening Post* of Burlington, Iowa, in the section devoted to "The Old Boats." The May 26 issue contains a paper on "River Navigation," written in November, 1905, by L. N. Scott of St. Paul, for publication by the St. Paul Commercial Club. Mr. Scott came to St. Paul in 1876 and entered the office of Captain John H. Reaney, general agent of the St. Louis and St. Paul Packet Company; from 1881 to 1885 he was himself agent of the company. During this period the steamboat business was at its height. Mr. Scott's observations, therefore, form a valuable chapter in the history of this industry. In the June 30 issue of the *Post* Fred A. Bill of St. Paul in an account of a trip recently taken by river to St. Louis, describes "important old land marks of early navigation." A list of the first boats through Lake Pepin and at St. Paul from 1844 to 1880 is contributed to the issue of July 21 by Captain J. W. Darrah of Stillwater.

The story of the "White Squaw of Fox Lake Isle," which appears in the June 2 issue of the *Martin County Independent*, may well take a place among the other better known romantic tales and legends which have enriched the literature of the

period of Indian occupation. The story is taken from a manuscript found some forty years ago in the trunk of an elm tree in the vicinity of Elm Creek. The manuscript bears the date 1853 or 1855 and was written by a young man who was apparently a member of a group of civil engineers engaged on a government survey in the Blue Earth River country. The writer tells how he was led to go in search of the "white squaw," describes his journey to "Fox Lake Isle," and sets down as he heard it the white woman's own account of her life.

To substantiate the claim of the Toqua Lakes State Park Commission that the last encounter between the Sioux and the Chippewa in Minnesota took place near these lakes in 1869, the *Graceville Enterprise* of June 15 prints extracts from two letters by Samuel J. Brown of Browns Valley, giving his recollections of the affair. Replying in the *New Ulm Review* of June 27, Richard Pfefferle, whose challenge of the claim of the commission precipitated the dispute, takes the position that the Toqua Lakes affair was too insignificant to be called a battle. The controversy seems to have simmered down to a disagreement as to what constitutes a battle.

Interesting items of early railroad history are contained in an article entitled "Pennington as Brakeman Recalled at Reunion of Railroad Veterans' Club" in the *Minneapolis Journal* of July 8. The article was inspired by a meeting of the Minnesota Central, Iowa and Minnesota, and McGregor Western Railroad Association held recently at Austin. It is accompanied by pictures of the first through train on the Iowa and Minnesota division of the Milwaukee road in 1867, and of E. A. Wright, William Sibley, and S. I. Wing, pioneer railroad men on the division. An account of the Austin meeting and a complete list of men now living who operated trains out of Minneapolis on the Iowa and Minnesota division from 1864 to 1870 is given in the *Austin Weekly Herald* of June 27.

W. J. Whipple of Winona in an article entitled "Pioneer Doctors of Winona" in the *Winona Republican-Herald* of June 30, tells of the establishment in that city in 1872 of a preparatory medical school. The institution was conducted by local physi-

cians, and students completing its course of study were fitted for admission into medical colleges. Biographical sketches of the founders of the school as well as of other members of the medical profession who have lived in Winona are included in the article.

The *Cambridge North Star* of May 31 under the title "Union Army Fight without a General" prints extracts from a diary kept by A. John Carlson while serving as a member of Company H, Ninth Minnesota Infantry from 1862 to 1865. The portion of the diary given relates the experiences of the Ninth Regiment as part of an expedition sent out from Memphis on the thirty-first of May, 1864, against General Forrest, operating in western Tennessee and northern Mississippi, which resulted in a defeat of the Union forces and a retreat to Memphis.

The *Blooming Prairie Times* is commemorating the fiftieth anniversary of the organization of the town of Blooming Prairie by the publication in its columns of a "History of Blooming Prairie"; the first installment appears in the issue of June 7. An interesting reminiscent narrative entitled "War and Its Horrors," giving the Civil War experiences, both in the field and in southern prisons, of John G. Johnson of Blooming Prairie, a member of the Third Iowa Infantry, begins in the July 19 issue of the same paper.

An account of the organization of the Home Guards Company at Mankato on September 14, 1862, is given in the July 17 issue of the *Mankato Weekly Review* under the title "Two Mankato Home Guards Companies of 1862 and 1917." This company formed part of Colonel Flandrau's command in the defense of the southern frontier during the Sioux outbreak of 1862. The article contains the reminiscences of C. A. Chapman of Mankato, one of the two surviving members of the company.

An interesting letter from Charles S. Emmons of Lakeville, relating his experiences as a member of Company F, Second Minnesota Cavalry, is printed in the July 4 issue of the *Cottonwood County Citizen* (Windom). This company was on patrol duty along the southwestern frontier from Fort Ridgely to the Iowa line during 1864 and 1865. Mr. Emmons also notes many

changes which fifty-one years have made in the valleys of the Cottonwood and the Des Moines rivers.

That the battle between the Sioux and the Red River Valley Chippewa about the year 1820 at "Sand River" took place on the south bank of the Sand Hill River on his farm near Climax in Polk County, is the belief of Elias Steenerson of Crookston. The evidence in support of this conclusion is given in an article in the *Crookston Weekly Times* of June 2 entitled "Indians Fight Bloody Battle in This County."

An article headed "Nicollet and Hennepin Once Held Only for Residences" in the *Minneapolis Journal* of June 17 contains many interesting items of local history. The early career of the Westminster Presbyterian Church and the attempt of Rev. Robert F. Sample and others to prevent the intrusion of business into the residential district on Fourth Street are the principal subjects covered.

The paper read at the 1916 meeting of the Otter Tail County Old Settlers' Association by the late E. E. Corliss of St. Paul, historian of the association, is published in full in the July 26 issue of the *Battle Lake Review*. The paper is an able presentation of the early history of the Otter Tail region during the period of Indian occupation, and contains descriptions of the battles between the Sioux and the Chippewa at Battle Lake in 1795 and 1819.

What is expected to be the last big log drive on the upper Mississippi River furnished the occasion for an interesting article in the *Minneapolis Journal* of June 21 on the history of the lumber industry in the territory tributary to Minneapolis from its beginnings seventy years ago. This is followed, in the *Journal* of July 8, by an interview with Caleb Dorr, a survivor of the old generation of log drivers, in which some of his pioneer experiences are related.

The *St. Cloud Journal Press* of July 5 prints an interesting narrative by John Hedlund of that city, in which the writer describes at some length the journey of himself and wife, along with other emigrants, from Gothenburg, Sweden, to Minnesota

in 1867. The article contains information on the progress of settlement in the central part of the state at that period as well as an account of economic and agricultural conditions.

A biographical sketch of John McConnell of Keystone, Scott County, contributed to the May 10 issue of the *Belle Plaine Herald* by W. V. Working of Henderson, contains an account of a fortification erected during the Sioux outbreak of 1862 on an island in Clark's Lake in Scott County. The latter part of the sketch is devoted to a brief narrative of the Sully expedition of 1864, in which Mr. McConnell participated as a member of Brackett's Battalion.

The *Preston Times* of April 26 prints two sketches written by high school students, the material for which was obtained by personal interviews with two Civil War veterans. The first sketch is an account of the experiences of William Rappe of Preston during three years' service as a member of Company H, First Minnesota Heavy Artillery; the other is based on the reminiscences of Gerrit Vander Bie of Bristol, a member of Company A, Thirty-second Wisconsin Volunteer Infantry.

The *Minneapolis Tribune* of July 1 describes a celebration said to be held each year on June 14 at White Earth, Minnesota, in commemoration of a treaty of peace between the Sioux and Chippewa Indians. The article contains also information about the geography and resources of the reservation and about the life of the modern Indian, his finances, work, and recreation. Three illustrations accompany the article.

Interesting sidelights on the experiences of immigrants to Minnesota as well as a detailed account of the sinking of the steamer "Julia" in the Minnesota River in 1867 are contained in a communication from George T. Barr in the *Mankato Review* of May 10. Mr. Barr, who was a passenger on the boat when it sank, is now a resident of Ontario, California.

Under the heading "Reflected Glory for Le Sueur" in the *Le Sueur Herald* of May 2 is given an account of the part played by Dr. William W. Mayo in the siege of New Ulm during the Sioux outbreak of 1862. Dr. Mayo, later known as one of the

founders of the Mayo Clinic at Rochester, was at that time just beginning his career as a physician in the new village of Le Sueur.

In an article entitled "The World Does Move" in the May 24 issue of the *Martin County Sentinel* an hour's trip by auto from Fairmont to Winnebago is contrasted with a journey by ox team over the same route fifty-three years ago, giving a vivid picture of the great changes which a half century has made in this section of the state.

Biographic sketches of twenty-six old settlers of Blue Earth County who have died during the last year are included in the memorial address read by Thomas Hughes of Mankato, historian of the Territorial Old Settlers' Association of Blue Earth County, at the annual meeting of the association at Mankato on July 2. The address is printed in full in the July 3 issue of the *Mankato Weekly Review*.

The June 12 issue of the *Blue Earth County Enterprise* (Mapleton) prints in full the memorial address delivered at the annual meeting of the Mapleton and Sterling Old Settlers' Association at Mapleton, June 12, by H. C. Hotaling, editor of the *Enterprise*. The major part of the address consists of biographies of thirty-eight members of the association who have died during the year.

In connection with an account of Memorial Day exercises the *Verndale Sun* of May 31 prints a list of Civil War veterans buried in the Verndale cemetery, giving the company and regiment to which each belonged. A similar list of veterans interred in Evergreen Cemetery, Brainerd, appears in the *Brainerd Journal Press* of June 1.

The *Harmony News* of July 12 contains a short account of a colony of Hollanders who settled in York Township, Fillmore County, in 1856, and of their church organization, now known as the Greenleafston Reformed Church. Included in the article is a list of the forty-one charter members of the church and of the pastors from 1869 to the present time.

Facts and statistics relating to the development of the Minneapolis system of parks and playgrounds are given in the May 6

issue of the *Minneapolis Journal* in a review of the career of Chelsea J. Rockwood, attorney for the park board during the period from 1889 to 1917.

An interesting article entitled "Austin's Early Shows" in the *Austin Weekly Herald* of May 2, the material for which was obtained from license receipts for various forms of entertainments filed in the vaults of the city hall, illustrates the value of such archival material in the preparation of studies of this character.

"Barbering in the Eighties Simple and Cheap" is the title of an article in the *Minneapolis Journal* of June 6 embodying the reminiscences of Charles Hegener, veteran barber of Minneapolis.

The removal of the monument erected by the state at New Ulm in memory of those who came to its defense in 1862 to a point one half block from its original site furnishes the occasion for a brief account of its erection in 1890 which appears in the *New Ulm Review* of June 20.

A story of the frustration of a plan of Dr. W. H. Ward, an early settler of Todd County, to establish a negro settlement in the vicinity of Lake Osakis about 1870, is to be found in the *Todd County Argus* (Long Prairie) of May 3 under the title "Negro Colony was Planned."

An account of the early settlement of Tordenskjold Township of Otter Tail County by Norwegians and of the building of Fort Juelson during the Indian scare of July, 1876, is given in an article entitled "Recalls Old Times" in the *Fergus Falls Daily Journal* of May 10. In the July 4 issue of the same paper W. W. Gould of Clitherall describes his journey from Fillmore County to Battle Lake by team in the spring of 1868 and gives some account of the early history of Otter Tail County under the title "Pioneer Days in County."

The *Grygla Eagle* of May 11 contains a brief history of the village of Grygla from the coming of the first settler in 1898 to the present time, with an account of the construction of the system of drainage ditches which made possible the development of this region.

Under the title "Landed in Mankato Sixty Years Ago" Frederick Boegen in the *Mankato Review* of May 22 describes Mankato as it appeared to him on May 15, 1857, when he arrived on the steamer "Favorite."

A description of Winona as it appeared in 1863 and a narration of her experiences during the attack on New Ulm by the Sioux in 1862 are contributed by Mrs. Amelia Kaiser of Winona to the *Winona Independent* of May 20.

Under the title "Half a Century in the County" in the *Litchfield Independent* of May 2 is given an account of the arrival of a small group of settlers in Harvey and Manannah townships, Meeker County, in 1867.

Recollections of early-day history of Mankato by Mrs. Charles Veigel and Mrs. George Albert, who came to the small settlement with their parents in 1857, are related in an article entitled "Arrived in Mankato Just Sixty Years Ago" in the June 5 issue of the *Mankato Weekly Review*.

An article containing incidents in the life of Samuel Carver, who settled in Tenhassen Township, Martin County, in 1860, is contributed to the *Martin County Sentinel* of July 13 by A. N. Fancher of Fairmont.

In the *Stillwater Daily Gazette* of April 4 a pioneer railroad man recalls the days when Stillwater was the headquarters for hundreds of lumberjacks, and describes the changes in the conduct of local railroad business which a score or more years have wrought.

A brief review of the part played by Major Edwin Clark of Minneapolis in the settlement and development of the town of Melrose is contained in an article entitled "Father of Melrose Visits City" in the *Melrose Beacon* of July 5.

In an editorial "Looking Backward" the *Albert Lea Times-Enterprise* of May 16 describes the first religious meeting held in the city, May 10, 1857. This date also marks the arrival of the late Dr. Albert C. Wedge, the first physician to settle in that region.

An account of the first settlers in the vicinity of Twin Valley, Norman County, is given in the *Twin Valley Post* of May 16.

Under the title "Old Crow Wing and Vicinity" the *White Earth Tomahawk* of May 24 prints a description of the present appearance of the ruins of this once prosperous trading post together with an account of some of the early residents.

Interesting impressions and experiences of their "First Days in Long Prairie" are related by several prominent men of that city in the *Todd County Argus* (Long Prairie) of May 17.

H. B. Cummins of Eagle Lake contributes an account of the arrival of his father, John Cummins, and family in Le Ray Township, Blue Earth County, July 16, 1857, to the *Mankato Ledger* of July 18 under the title "Pioneer Resident."



